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Robin Stroud, District Clerk
Hutchinson County, Texas
By: Robin Stroud

42542
NO. _____

DARYL ROBERTSON DDS, P.A.	§	IN THE DISTRICT COURT
Plaintiff,	§	
	§	
V.	§	316TH JUDICIAL DISTRICT
	§	
CENTRAL INSURANCE COMPANIES	§	
Defendant.	§	HUTCHINSON COUNTY, TEXAS

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COME DARYL ROBERTSON DDS, P.A., hereinafter called Plaintiff, complaining of and about CENTRAL INSURANCE COMPANIES, hereinafter called Defendant, and for cause of action show unto the Court the following:

DISCOVERY CONTROL PLAN LEVEL

1. Plaintiff intends that discovery be conducted under Discovery Level 2.

PARTIES AND SERVICE

2. Plaintiff, DARYL ROBERTSON DDS, P.A. ("ROBERTSON"), is an individual whose address is 101 N. McGee, Borger, Texas 79007.

3. Defendant, CENTRAL INSURANCE COMPANIES ("INSURANCE COMPANY"), is a Texas Insurance Company. Said Defendant may be served with process at the following address: 7301 North State Highway 161, Suite 320, Irving, Texas 75039.

JURISDICTION AND VENUE

4. The subject matter in controversy is within the jurisdictional limits of this court.
5. This court has personal jurisdiction herein because Defendant is a Texas resident.
6. Venue in Hutchinson County is proper in this cause pursuant to Section 17.56 of the Texas Business and Commerce Code.

FACTS

7. On or about the 16th day of November, 2015, a lightning strike hit the dental office of ROBERTSON damaging equipment and all lines of communication into the office.

8. Defendant provided an insurance policy ("policy") for ROBERTSON, a copy of which is marked as Exhibit "A" and attached to this petition for all intents and purposes.

9. Under the terms of the policy, the INSURANCE COMPANY is required to pay for any damages caused by the lightning strike including damage to equipment, property and damages arising from loss of income.

10. ROBERTSON'S normal business hours are Tuesday, Wednesday and Thursday of each week. As a result, there were effectively two weeks of loss of business arising from the lightning strike.

11. The loss of income suffered by ROBERTSON was in excess of \$71,000.00.

COUNT ONE BREACH OF CONTRACT

12. The INSURANCE COMPANY has paid for the replacement of the damaged equipment and has made a partial payment toward the loss of income. Such payment by the INSURANCE COMPANY was in the amount of \$26,469.39. In violation of the insurance contract, the INSURANCE COMPANY has failed to pay for the full extent of the loss of income by ROBERTSON and there is still owing by INSURANCE COMPANY to date the amount of \$44,530.61.

DECEPTIVE TRADE PRACTICES

13. Despite repeated demands by ROBERTSON to be reimbursed for his loss of income, the INSURANCE COMPANY took the position that there was no loss of income and refused to pay any amount. Only after a demand was made by ROBERTSON, through his attorney, to be reimbursed for the loss of income did the INSURANCE COMPANY make a

partial attempt to honor their obligations in this matter. A copy of the demand is attached hereto as Exhibit "B" and incorporated herein for all intents and purposes.

14. The INSURANCE COMPANY is in violation of §21.21 of the Texas Insurance Code and consequently is also in violation of the Texas Deceptive Trade Practices Act under the Business and Commerce Code.

15. Plaintiff would show that Defendant engaged in certain false, misleading and deceptive acts, practices and/or omissions actionable under the Texas Deceptive Trade Practices - Consumer Protection Act (Texas Business and Commerce Code, Chapter 17.41, et seq.), as alleged hereinbelow.

16. Unconscionable Action or Course of Action. Defendant engaged in an "unconscionable action or course of action" to the detriment of Plaintiff as that term is defined by Section 17.45(5) of the Texas Business and Commerce Code, by taking advantage by knowingly filing a false affidavit with intent to coerce Plaintiff into paying an extortion fee to Defendant.

17. Violations of Section 17.46(b). Defendant violated Section 17.46(b) of the Texas Business and Commerce Code, in that Defendant:

(a) represented that work or services have been performed on, or parts replaced in, goods when the work or services were not performed or the parts replaced; and

(b) failed to disclose information concerning goods or services which was known at the time of the transaction with the intention to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed.

18. Breach of Warranties. Plaintiff would show that the following warranties were breached and therefore actionable under Section 17.50(a)(2) of the Texas Business and Commerce Code:

- (a) the implied warranty of fitness for a particular purpose; and
- (b) the implied warranty of good and workmanlike performance.

19. Producing Cause. Plaintiff would show that the acts, practices and/or omissions complained of were the producing cause of Plaintiff's damages more fully described hereinbelow.

20. Reliance. Plaintiff would further show the acts, practices and/or omissions complained of under Section 17.46(b) of the Texas Business and Commerce Code were relied upon by Plaintiff to Plaintiff's detriment.

COMMON LAW FRAUD

21. Plaintiff further show that Defendant made material false representations to Plaintiff with the knowledge of their falsity or with reckless disregard of the truth with the intention that such representations be acted upon by Plaintiff, and that Plaintiff relied on these representations to their detriment.

22. Plaintiff would further show that Defendant concealed or failed to disclose material facts within the knowledge of Defendant, that Defendant knew that Plaintiff did not have knowledge of the same and did not have equal opportunity to discover the truth, and that Defendant intended to induce Plaintiff to enter into the transaction made the basis of this suit by such concealment or failure to disclose.

23. As a proximate result of such fraud, Plaintiff sustained the damages described more fully hereinbelow.

ECONOMIC AND ACTUAL DAMAGES

24. Plaintiff sustained the following economic and actual damages as a result of the actions and/or omissions of Defendant described hereinabove:

- (a) Out-of-pocket expenses, including but not limited to accounting fees.
- (b) Loss of income.
- (c) Cost of replacement.
- (d) Costs of repairs.
- (e) Remedial costs and/or costs of completion.

MULTIPLE DAMAGES

27. Plaintiff would show that the false, misleading and deceptive acts, practices and/or omissions complained of herein were committed "knowingly" in that Defendant had actual awareness of the falsity, deception, or unfairness of such acts, practices, and/or omissions.

28. Plaintiff further avers that such acts, practices, and/or omissions were committed "intentionally" in that Defendant specifically intended that Plaintiff act in detrimental reliance on the falsity or deception or in detrimental ignorance of the unfairness.

29. Therefore, Plaintiff is entitled to recover multiple damages as provided by 17.50(b)(1) of the Texas Business and Commerce Code.

ATTORNEY'S FEES

31. Request is made for all costs and reasonable and necessary attorney's fees incurred by or on behalf of Plaintiff herein, including all fees necessary in the event of an appeal of this cause to the Court of Appeals and the Supreme Court of Texas, as the Court deems equitable and just, as provided by: (a) Section 17.50(d) of the Texas Business and Commerce Code, (b) common law and (c) §17.50 of the Texas Practices & Remedies Code.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiff, DARYL ROBERTSON DDS, P.A., respectfully prays that the Defendant be cited to appear and answer herein, and that upon a final hearing of the cause, judgment be entered for the Plaintiff against Defendant for the economic and actual damages requested hereinabove in an amount in excess of the minimum jurisdictional limits of the Court, together with prejudgment and postjudgment interest at the maximum rate allowed by law, attorney's fees, costs of court, and such other and further relief to which the Plaintiff may be entitled at law or in equity, whether pled or unpled.

Respectfully submitted,

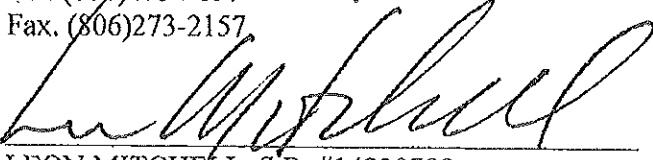
MITCHELL & JONES

P. O. Drawer 707

Borger, Texas 79008-0707

Tel. (806)273-2857

Fax. (806)273-2157

A handwritten signature in black ink, appearing to read 'Leon Mitchell', is written over a horizontal line.

LEON MITCHELL, S.B. #14220700

Attorney for Plaintiff



Fulfilling the Promise Since 1876
NOVEMBER 04, 2014



7973776 22 42
UPSHAW INSURANCE AGENCY INC
PO BOX 1299
AMARILLO TX 79105-0299



DARYL ROBERTSON DDS PA
101 N MCGEE ST
BORGER TX 79007

Dear Policyholder:

Thank you for renewing your policy with the Central Insurance Companies. We appreciate your business!

Your renewal policy declarations page is attached. You will be issued a separate Billing Statement.

Please review all information thoroughly as there may be other forms which require your attention. If you have questions regarding these forms or any part of your policy, please contact your agent at 806-468-0400.

If you should experience a claim, you may report it to the agent listed above, or directly to Central by one of the following options:

1. Online via the myCentral® website. Visit www.central-insurance.com and click on the myCentral® link.
2. By phone to the following numbers:
 - 888-263-2924.
 - For Glass Claims, contact Central's glass network at 866-410-4753 or 800-988-9808, 24 hours a day, seven days a week.
3. Fax your claim to 800-736-7026.

CENTRAL INSURANCE COMPANIES

20-1806 05/10

TEXAS IMPORTANT NOTICE

To obtain information or make a complaint:

You may call our toll-free telephone number for information or to make a complaint at

1-800-733-2233

You may also write to us at:

Central Mutual Insurance Company
All America Insurance Company
7301 North State Highway 161, Suite 320
Irving, TX 75039

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at

1-800-252-3439

You may write the Texas Department of Insurance
P.O. Box 149104
Austin, TX 78714-9104
FAX: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.

TEXAS AVISO IMPORTANTE

Para obtener información o para someter una queja:

Usted puede llamar al número de teléfono gratis de compañía para información o para someter una queja al

1-800-733-2233

Usted también puede escribir a compañía:

Central Mutual Insurance Company
All America Insurance Company
7301 North State Highway 161, Suite 320
Irving, TX 75039

Puede comunicarse con el Departamento de Seguros de Texas para obtener información acerca de compañías, coberturas, derechos o quejas al

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas
P.O. Box 149104
Austin, TX 78714-9104
FAX: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS: Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o la compañía primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE A VISO A SU POLIZA: Este aviso es solo para propósito de información y no se convierte en parte o condición del documento adjunto.

20-1806 05/10



Fulfilling the Promise Since 1876

14-3351 01 12

NOTICE TO POLICYHOLDERS DATA COMPROMISE COVERAGE

NO COVERAGE IS PROVIDED BY THIS SUMMARY NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATION PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THIS POLICY SHALL PREVAIL.

Your previous policy included Data Compromise Coverage. This notice has been prepared in conjunction with the implementation of changes to this coverage. It contains a brief explanation of the changes that were made. This notice does not reference every editorial change made in coverage form.

The Data Compromise Coverage applied only to specified expenses you incurred when personal information of others was lost, stolen or inadvertently released.

This coverage has been broadened to provide a limited amount of coverage for defense costs and liability arising from suits brought against you by affected individuals as the result of a breach of personal information. This coverage is in addition to the coverage that has previously been provided.

Please refer to the Data Compromise Coverage attached to your renewal policy for more detailed information.

14-3498 01 14



NOTICE TO POLICYHOLDERS

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE WITH MINIMUM FIXED-DOLLAR DEDUCTIBLE

This Notice does not form a part of your Insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your renewal policy being issued by us:

Windstorm or Hail Percentage Deductible with Minimum Fixed-Dollar Deductible

Your previous policy included a windstorm or hail percentage deductible provision. That provision has been replaced with the Windstorm or Hail Percentage Deductible With Minimum Fixed-Dollar Deductible. In addition to applying a percentage deductible to loss caused by windstorm or hail, this new provision applies a minimum dollar deductible when the percentage deductible is less than the dollar deductible.

For example:

The Limit of Insurance on a building is \$100,000.
The Windstorm or Hail deductible is 1% with a \$2500 minimum fixed-dollar deductible.
Since the percentage deductible would be only \$1000 (1% of \$100,000), the deductible applicable to a loss caused by windstorm or hail would be the minimum fixed-dollar amount of \$2500.

This change might result in a reduction in coverage.

14-3498 01 14



14-3520 07 14

NOTICE TO POLICYHOLDERS

CENTRAL PREMIER® PROPERTY EXTENSIONS COVERAGE ENDORSEMENT CENTRAL PREMIER PLUS® PROPERTY EXTENSIONS COVERAGE ENDORSEMENT

NO COVERAGE IS PROVIDED BY THIS SUMMARY NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATION PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THE SUMMARY, THE PROVISIONS OF THIS POLICY SHALL PREVAIL.

Your previous policy included either our Central Premier® Property Extensions Coverage Endorsement or Central Premier Plus® Property Extensions Coverage Endorsement. This notice has been prepared in conjunction with the implementation of changes to these endorsements. It contains a brief synopsis of the significant broadenings, restrictions and clarifications of coverage that were made in each of these endorsements. This notice does not reference every editorial change made in these endorsements.

CENTRAL PREMIER® PROPERTY EXTENSIONS COVERAGE ENDORSEMENT

- The Increased Cost of Construction limit has been changed to be the Blanket Limit of Insurance for this endorsement.
- "Stained or rare art glass" has been added to the definition of Fine Arts.

CENTRAL PREMIER PLUS® PROPERTY EXTENSIONS COVERAGE ENDORSEMENT

- Under the Crime Coverage, we have added Item 8. to Additional Conditions Applicable to All Crime Coverages. This section was added to clarify the "Other Insurance" condition found in the Building and Personal Property Coverage form.
- "Stained or rare art glass" has been added to the definition of Fine Arts.
- Disaster Rebuilding Expenses -- added a notation about insurance to value which had previously been omitted.

If you have any questions concerning your Commercial Policy, please contact your Agent.



20-1942 01 94

NOTICE TO POLICYHOLDERS

Your policy has an exclusion for injury caused by asbestos and lead. The endorsement is a clarification of this excluded injury or damage and you should read it for the understanding of the coverage provided by this contract.

20-1942 01 94



20-1956 11 94

IMPORTANT INFORMATION ABOUT YOUR POLICY RENEWAL

Thank you -- for allowing us to renew your policy. We appreciate your business.

Please keep your existing policy forms. Be sure to review the enclosed renewal information carefully. To help control expenses, the only forms attached to this renewal are those forms which have been added or revised.

If you have any questions about your policy, or this renewal, please don't hesitate to check with your agent.

20-1956 11 94

20-2118 06 08

NOTICE TO POLICYHOLDERS

DISCLOSURE OF EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This notification does not form a part of your insurance contract. No coverage is provided by this notification, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this notification and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This notification provides information concerning the following endorsement, which applies to your new or renewal policy being issued by us:

Exclusion of Loss Due to Virus Or Bacteria Endorsement CP0140

This endorsement makes an explicit statement regarding a risk that is not covered under your Commercial Property Insurance. It points out that there is no coverage under such insurance for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces, or is capable of inducing, physical distress, illness or disease. The exclusion in this endorsement applies to all coverages provided by your Commercial Property Insurance, including (if any) property damage and business income coverages.

Contact your agent if you have any questions regarding the content of this notice.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

This notification is attached to and made part of your policy in response to the disclosure requirements of the Terrorism Risk Insurance Act. This notification does not grant any coverage or change the terms and conditions of any coverage under the policy.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the policy Declarations.

B. Disclosure of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap on Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

CHANGE IN THE DEFINITION OF CERTIFIED ACTS OF TERRORISM AND INFORMATION ON LIMITATIONS ON FEDERAL AND INSURER LIABILITY

This Notice has been prepared in conjunction with the implementation of changes related to the coverage of terrorism under your policy.

This Notice does NOT form a part of your insurance contract, but is designed to alert you to revised provisions in the terrorism endorsement in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Carefully read your policy, including the endorsements attached to your policy.

Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the definition of "certified acts of terrorism" (which is more fully defined in the endorsement) no longer requires that the act of terrorism be

committed by or on behalf of a foreign interest. Therefore, coverage for "certified acts of terrorism" now encompasses, for example, an act committed against the United States government by a United States citizen, when the act is determined by the federal government to be a "certified act of terrorism" under the terms of the federal Terrorism Risk Insurance Program. Coverage is subject to all policy exclusions (for example, nuclear hazard and war exclusions) and other policy provisions.

The government may participate in paying for some of the losses from a "certified act of terrorism." However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. Further, this coverage is subject to a limit on our liability pursuant to the federal law; that is, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Refer to the terrorism endorsement for the definition of "certified acts of terrorism." Refer to the endorsement, and to the rest of the insurance contract, for provisions that govern coverage for, or that exclude coverage for, losses arising from terrorism.

20-2143 10/07



AVAILABLE PAY PLANS

The company offers.

1. **EFT Plans (Electronic Funds Transfer): ** No service fees apply to any of the EFT plans. ****
 - a. Annual EFT – the premium is paid in one installment withdrawn on the effective date of the policy.
 - b. Semi-Annual EFT – the premium is paid in two installments, withdrawn six months apart.
 - c. Quarterly EFT – the premium is paid in four installments, withdrawn three months apart.
 - d. Monthly EFT – the premium is paid in twelve monthly withdrawals.
2. **NON-EFT Plans:**
 - a. Annual – the premium is paid in one installment due on the effective date of the policy. No service fees apply.
 - b. Semi-Annual – the premium is paid in two installments due six months apart. Service fees apply.
 - c. Quarterly – the premium is paid in four installments due three months apart. Service fees apply.
 - d. Monthly – the premium is paid in twelve monthly installments. Service fees apply.

We offer account billing on each of the above plans which allows for multiple policies to be billed together on a single account. We require separate billing accounts for personal and commercial lines policies.



22-1260 01 11

AN IMPORTANT LOSS CONTROL MESSAGE FOR OUR LIABILITY POLICYHOLDERS

The Central Insurance Companies have a broad range of Loss Control consulting services available to assist you with your safety program and activities. These services, commensurate with the hazards, exposures, experience, and size of your business, require your cooperation and participation to make them most effective. Loss Control pays. It preserves your most valuable assets . . . your customers, your employees and your property.

Central's Loss Control Department provides these consulting services based on your needs and requirements. The services available to you upon request at no charge are:

1. Loss Control Surveys of your premises and operations.
2. Recommendations and suggestions based on the survey.
3. Assistance with your Safety Training Programs.
4. Audio-visual training aids, posters and booklets.
5. Consultation on technical safety problems you may have.
6. Analysis of accident causes and suggested corrective measures you can implement.
7. Consultation on your implementation of a Loss Control Program designed for your needs.

Central's staff of Loss Control Consultants is prepared to consult with you on the effectiveness of your Safety Program and to assist you in implementing such a program. Simply contact your Central Agent or call our Regional Office and ask for the Loss Control Department.

Regional Offices

Van Wert, OH (IL, IN, KY, MI, OH)	1-800-736-7000	Alpharetta, GA (GA, NC, SC, TN, VA)	1-800-877-2233
Waltham, MA (CT, MA, NH, NJ, NY, PA)	1-800-359-2233	Irving, TX (AZ, CO, NM, NV, OK, TX)	1-800-733-2233



7-1427 04 13

COMMERCIAL INLAND MARINE COVERAGE PART MULTISTATE FORMS REVISION ADVISORY NOTICE TO POLICYHOLDERS

This is a summary of the major changes in your Commercial Inland Marine insurance. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

The areas within the policy that broaden or reduce coverage, and other changes, are highlighted below. This notice does not reference every editorial change made in your policy.

The material in this notice makes reference to form numbers; however, not all forms are included in a particular policy.

COVERAGE FORMS

BROADENINGS IN COVERAGE

- Dishonest Acts Exclusion (CM 00 20, CM 00 21, CM 00 22, CM 00 26, CM 00 28, CM 00 29, CM 00 45, CM 00 52, CM 00 59, CM 00 66, CM 00 67)

A separate paragraph is assigned for the portion of the exclusion that relates to those to whom the insured entrusts property, and this exclusion to loss to entrusted property is narrowed to apply to theft, as opposed to all dishonest or criminal acts.

NO CHANGES WERE MADE WHICH RESULTED IN A REDUCTION IN COVERAGE.

OTHER CHANGES

- Dishonest Acts Exclusion (CM 00 20, CM 00 21, CM 00 22, CM 00 26, CM 00 28, CM 00 29, CM 00 45, CM 00 52, CM 00 59, CM 00 66, CM 00 67)

Coverage is made more explicit with the specifications that 1) dishonest or criminal acts include theft; 2) the term 'employees' includes temporary employees and leased workers; 3) officers of the insured are among those to whom the exclusion applies; and 4) authorized representatives of the insured are among those to whom the exclusion does not apply, with regard to acts of destruction.

8-2333 01 14

**2012 GENERAL LIABILITY MULTISTATE FORMS REVISION
ADVISORY NOTICE TO POLICYHOLDERS**

This is a summary of the major changes in your policy. No coverage is provided by this summary nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

The major areas within the policy that broaden or reduce coverage, and other changes, are highlighted below. This notice does not reference every editorial change made in your policy. We have followed the policy sequence of provisions in setting out this material.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG 00 01 04 13

I. EXCLUSIONS

A. BROADENING OF COVERAGE

1. Coverage A – Exclusion 2.c. (Liquor Liability) is revised to provide an exception with respect to allowing a person to bring alcoholic beverages onto the named insured's premises for consumption on the named insured's premises.
2. Coverage A – Exclusion 2.p. (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

B. OTHER CHANGES

1. Coverage A – Exclusion 2.c. (Liquor Liability) is revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.
2. Coverage A – Exclusion 2.g. (Aircraft, Auto Or Watercraft) is revised to delete reference to "in the state".
3. Coverage A – Exclusion 2.q. and Coverage B – Exclusion 2.p. (Recording And Distribution Of Material Or Information In Violation Of Law) were previously added to your policy via mandatory endorsement. The endorsement contained an exclusion addressing injury or damage arising out of any action or omission that violates or is alleged to violate certain statutes, ordinances and regulations. This exclusion has been incorporated directly into your policy.
4. Coverage B – Exclusions 2.b. and 2.c. (Material Published With Knowledge Of Falsity and Material Published Prior To Policy Period) are revised to reference "in any manner", with respect to oral or written publication, for consistency with the definition of personal and advertising injury.

II. CONDITIONS

OTHER CHANGES

Condition 4. (Other Insurance) is generally revised so that the insurance provided is excess over any for which the named insured has been added as an additional insured, whether by endorsement or any other means.

III. DEFINITIONS

OTHER CHANGES

1. Definition 2. (Auto) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.
2. Definition 12. (Mobile Equipment) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.

**OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM –
COVERAGE FOR OPERATIONS OF DESIGNATED CONTRACTOR
CG 00 09 04 13**

I. EXCLUSIONS

BROADENING OF COVERAGE

Exclusion 2.I. (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

II. DEFINITIONS

OTHER CHANGES

1. Definition 1. (Auto) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.
2. Definition 10. (Mobile Equipment) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.

LIQUOR LIABILITY COVERAGE FORM CG 00 33 04 13

WHO IS AN INSURED

BROADENING OF COVERAGE

We have included trusts as Named Insureds. In addition, trustees have been included as Insureds but only with respect to their duties as trustees.

CG 00 35 04 13 – RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

EXCLUSIONS

BROADENING OF COVERAGE

Exclusion 2.f.(3)(a) (Pollution) is amended to expand the exception to the exclusion with respect to bodily injury or property damage arising out of fuel or lubricants for equipment used at the job location not just when they escape from such equipment.

MULTISTATE ENDORSEMENTS

A. BROADENING OF COVERAGE

1. Electronic Data Liability Endorsement **CG 04 37** is revised to introduce an exception to the electronic data exclusion in order to provide that the exclusion does not apply to liability for damages because of bodily injury.
2. Additional Insured – Owners, Lessees Or Contractors – Automatic Status For Other Parties When Required In Written Construction Agreement Endorsement **CG 20 38** is introduced to provide additional insured status to those parties whom the named insured is obligated in writing in a contract or agreement to name as an additional insured.
3. Druggists Endorsement **CG 22 69** is revised to introduce an exception for the administering of vaccinations.
4. Liquor Liability – Bring Your Own Alcohol Establishments Endorsement **CG 24 06** is introduced to provide coverage to insureds who permit any person to bring any alcoholic beverage on an insured's premises, for consumption on the insured's premises.

B. REDUCTIONS OF COVERAGE

1. Additional Insured – Users Of Golfmobiles Endorsement **CG 20 08** is revised to include a definition of the term golfmobile.

2. Liquor Liability Exclusion Endorsements

The following endorsements are revised to indicate that the liquor liability exclusion will apply if a named insured permits any person to bring any alcoholic beverages on the named insured's premises, for consumption on the named insured's premises:

- **CG 21 50** – Amendment Of Liquor Liability Exclusion (for use with Commercial General Liability Coverage Part). Not applicable in Texas.
- **CG 21 51** – Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities (for use with Commercial General Liability Coverage Part)

3. Amendment Of Personal And Advertising Injury Definition Endorsement **CG 24 13** is introduced to remove from the definition of personal and advertising injury the offense of oral and written publication, in any manner, of material that violates a person's right of privacy.

C. OTHER CHANGES

1. Limited Product Withdrawal Expense Endorsement **CG 04 36** is revised, in part, to reinforce that the Participation Percentage is indicated in the Schedule and to reflect that the cost of the insured's participation in each product withdrawal will be borne by the named insured when due.

2. Additional Insured Endorsements

The following additional insured endorsements are revised to indicate that when these endorsements are attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less:

- **CG 20 03** – Additional Insured – Concessionaires Trading Under Your Name
- **CG 20 05** – Additional Insured – Controlling Interest
- **CG 20 07** – Additional Insured – Engineers, Architects Or Surveyors
- **CG 20 10** – Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization
- **CG 20 11** – Additional Insured – Managers Or Lessors Of Premises
- **CG 20 12** – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations
- **CG 20 13** – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations Relating To Premises
- **CG 20 15** – Additional Insured – Vendors
- **CG 20 18** – Additional Insured – Mortgagee, Assignee Or Receiver
- **CG 20 23** – Additional Insured – Executors, Administrators, Trustees Or Beneficiaries
- **CG 20 24** – Additional Insured – Owners Or Other Interest From Whom Land Has Been Leased
- **CG 20 26** – Additional Insured – Designated Person Or Organization
- **CG 20 27** – Additional Insured – Co-owner Of Insured Premises
- **CG 20 28** – Additional Insured – Lessor Of Leased Equipment
- **CG 20 29** – Additional Insured – Grantor Of Franchise
- **CG 20 30** – Oil Or Gas Operations – Nonoperating, Working Interests
- **CG 20 31** – Additional Insured – Engineers, Architects Or Surveyors
- **CG 20 32** – Additional Insured – Engineers, Architects Or Surveyors Not Engaged By The Named Insured
- **CG 20 33** – Additional Insured – Owners, Lessees Or Contractors – Automatic Status When Required In Construction Agreement With You

- CG 20 34 – Additional Insured – Lessor Of Leased Equipment – Automatic Status When Required In Lease Agreement With You
- CG 20 35 – Additional Insured – Grantor Of Licenses – Automatic Status When Required By Licensor
- CG 20 36 – Additional Insured – Grantor Of Licenses
- CG 20 37 – Additional Insured – Owners, Lessees Or Contractors – Completed Operations
- CG 29 35 – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations

4. Professional Services Endorsements

The following endorsements are revised to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured:

- CG 21 16 – Exclusion – Designated Professional Services
- CG 21 52 – Exclusion – Financial Services
- CG 21 56 – Exclusion – Funeral Services
- CG 21 57 – Exclusion – Counseling Services
- CG 21 58 – Exclusion – Professional Veterinarian Services
- CG 21 59 – Exclusion – Diagnostic Testing Laboratories
- CG 22 24 – Exclusion – Inspection, Appraisal And Survey Companies
- CG 22 32 – Exclusion – Professional Services – Blood Banks
- CG 22 33 – Exclusion – Testing Or Consulting Errors And Omissions
- CG 22 34 – Exclusion – Construction Management Errors And Omissions
- CG 22 36 – Exclusion – Products And Professional Services (Druggists)
- CG 22 37 – Exclusion – Products And Professional Services (Optical And Hearing Aid Establishments)
- CG 22 39 – Exclusion – Camps Or Campgrounds
- CG 22 43 – Exclusion – Engineers, Architects Or Surveyors Professional Liability
- CG 22 44 – Exclusion – Services Furnished By Health Care Providers
- CG 22 45 – Exclusion – Specified Therapeutic Or Cosmetic Services
- CG 22 48 – Exclusion – Insurance And Related Operations
- CG 22 69 – Druggists
- CG 22 71 – Colleges Or Schools (Limited Form)
- CG 22 72 – Colleges Or Schools
- CG 22 75 – Professional Liability Exclusion – Computer Software
- CG 22 76 – Professional Liability Exclusion – Health Or Exercise Clubs Or Commercially Operated Health Or Exercise Facilities
- CG 22 77 – Professional Liability Exclusion – Computer Data Processing
- CG 22 79 – Exclusion – Contractors – Professional Liability
- CG 22 80 – Limited Exclusion – Contractors – Professional Liability
- CG 22 87 – Exclusion – Adult Day Care Centers
- CG 22 88 – Professional Liability Exclusion – Electronic Data Processing Services And Computer Consulting Or Programming Services
- CG 22 90 – Professional Liability Exclusion – Spas Or Personal Enhancement Facilities
- CG 22 91 – Exclusion – Telecommunication Equipment Or Service Providers Errors And Omissions
- CG 22 96 – Limited Exclusion – Personal And Advertising Injury – Lawyers
- CG 22 98 – Exclusion – Internet Service Providers And Internet Access Providers Errors And Omissions

- CG 22 99 – Professional Liability Exclusion – Web Site Designers
 - CG 23 01 – Exclusion – Real Estate Agents Or Brokers Errors Or Omissions
 - CG 31 15 – Construction Project Management Protective Liability Coverage
5. Exclusion – Volunteer Workers Endorsement CG 21 66 is revised to delete reference to "in the state" from Exclusion 2.g. (Aircraft, Auto Or Watercraft).
 6. Exclusion – Failure To Supply Endorsement CG 22 50 is revised to expressly state that the exclusion also applies to the failure of any insured to adequately supply biofuel.
 7. Pesticide Or Herbicide Applicator Coverage Endorsements CG 22 64 and CG 28 12 and Lawn Care Services Coverage Endorsement CG 22 93 are revised to reflect a change in titles to Herbicide Applicator – *Limited Pollution* Coverage endorsements and Lawn Care Services – *Limited Pollution* Coverage.
 8. Real Estate Property Managed Endorsement CG 22 70 is revised to reinforce that the insurance provided is excess over any other insurance available, whether such insurance is primary or excess.
 9. Colleges Or Schools Endorsements CG 22 71 and CG 22 72 are revised to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured.
 10. Waiver Of Governmental Immunity Endorsement CG 24 14 is revised to reference that the endorsement also applies to the Owners And Contractors Protective Liability Coverage Part and the Railroad Protective Liability Coverage Part.
 11. Amendment Of Insured Contract Definition Endorsement CG 24 26 and Limited Contractual Liability – Railroads Endorsement CG 24 27 are revised to reflect that the defined term insured contract addresses certain liability assumed by the named insured with respect to the tort liability of another party to the extent the assumption of the tort liability is permitted by law.
 12. Designated Location(s) Aggregate Limit Endorsement CG 25 14 is introduced to make a separate Designated Location Aggregate Limit available for each location of the insured listed in the Schedule of the endorsement.
 13. Supplemental Extended Reporting Period Endorsement CG 27 10 and Supplemental Extended Reporting Period Endorsement For Specific Accidents, Products, Work Or Locations Endorsement CG 27 11 are revised to amend Condition 4. (Other Insurance) so that the insurance provided is excess over any for which the named insured has been added as an additional insured, whether by endorsement or any other means.
 14. Principals Protective Liability Coverage Endorsement CG 28 07 is revised to delete reference to "in the state" from Exclusion 2.c.(1)(e)(i).
 15. Liquor Liability Exclusion Endorsements
 The following endorsements are revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol:
 - CG 21 50 – Amendment Of Liquor Liability Exclusion (for use with Commercial General Liability Coverage Part). New form for New Hampshire. Not applicable in Texas.
 - CG 21 51 – Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities (for use with Commercial General Liability Coverage Part)

8-2341 05 14



Fulfilling the Promise Since 1876

GENERAL LIABILITY ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION EXCLUSIONS

ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsements, which applies to your renewal policy being issued by us:

CG 21 06 05 14 – Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception (For Use With The Commercial General Liability Coverage Part)

When this endorsement is attached to your policy:

- Under Coverage A – Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.
- Under Coverage B – Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

CG 21 07 05 14 – Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included (For Use With The Commercial General Liability Coverage Part)

When this endorsement is attached to your policy:

- Under Coverage A – Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage. However, when this endorsement is attached, it will result in a reduction of coverage due to the deletion of an exception with respect to damages because of bodily injury arising out of loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.
- Under Coverage B – Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

CG 21 08 05 14 – Exclusion – Access Or Disclosure Of Confidential Or Personal Information (Coverage B Only) (For Use With The Commercial General Liability Coverage Part)

When this endorsement is attached to your policy, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

CG 04 37 – Electronic Data Liability (For Use With The Commercial General Liability Coverage Part)

With respect to damages arising out of access or disclosure of confidential or personal information, when this endorsement is attached to your policy:

- Under Coverage A – Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.
- Under Coverage B – Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

CG33 53 05 14 – Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception (For Use With The Owners And Contractors Protective Liability Coverage Part and Products/Completed Operations Coverage Part)

When this endorsement is attached to your policy, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.

CG 33 59 05 14 – Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included (For Use With The Owners And Contractors Protective Liability and Products/Completed Operations Liability Coverage Parts)

When this endorsement is attached to your policy, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.

However, when this endorsement is attached, it will result in a reduction of coverage due to the deletion of an exception with respect to damages because of bodily injury arising out of loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.



8-2345 03 14

NOTICE TO POLICYHOLDERS

LIMITED EXCLUSION - OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

Your renewal policy includes Limited Exclusion - Operations Covered by a Consolidated (Wrap-Up) Insurance Program, form 8-2203. If this form was not on your previous policy, this may be a reduction in coverage.

Limited Exclusion - Operations Covered by a Consolidated (Wrap-Up) Insurance Program excludes liability arising out of your ongoing operations or operations included within the products-completed operations hazard whenever a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

However, this limited exclusion does not apply if the consolidated (wrap-up) insurance program covering your operations has been cancelled, non-renewed, or otherwise no longer applies for reasons other than the exhaustion of all available limits.

Neither does this exclusion apply if liability arises out of your operations that are incidental to the operations covered by the consolidated (wrap-up) insurance program but were not intended to be covered by the consolidated (wrap-up) insurance program, and bodily injury or property damage occurs away from the location of the operations covered by the consolidated (wrap-up) insurance program.



Fulfilling the Promise Since 1876

OFFICE POLICY
COMMON DECLARATIONS

CENTRAL MUTUAL INSURANCE COMPANY
POLICY NUMBER: CLP 7973776
NAMED INSURED AND MAILING ADDRESS
DARYL ROBERTSON DDS PA
101 N MCGEE ST
BORGER TX

79007-4015

RENEWAL OF POLICY 7973776
AGENT SM01 (806)468-0400
UPSHAW INSURANCE AGENCY INC
PO BOX 1299
AMARILLO TX 79105-0299

www.upshaw-insurance.com

POLICY PERIOD: FROM 01/12/2015 TO 01/12/2016
AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

BUSINESS DESCRIPTION: DENTIST
FORM OF BUSINESS: PROF ASSOCIATION

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS
POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.
THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS:

	PREMIUM
COMMERCIAL PROPERTY COVERAGE PART	\$6,109.00
COMMERCIAL INLAND MARINE COVERAGE PART	\$110.00
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$423.00
THE ADVANCE PREMIUM DUE AT INCEPTION IS -----	\$6,642.00
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	

THE FORM(S) AND ENDORSEMENT(S) LISTED BELOW ARE APPLICABLE TO ALL COVERAGE PARTS
AND MADE PART OF THIS POLICY. THESE FORMS AND ENDORSEMENTS, WHEN APPEARING
ELSEWHERE IN THIS POLICY, HAVE THE SAME EDITION DATE.

CG2170 01 08 IL0017 11 98 IL0171 09 07 IL0275 11 13 IL0952 03 08
20-1769 08 91 20-1770 08 91 20-1900 09 92

COUNTERSIGNED BY

PRESIDENT

DATE 11/04/2014

22

SECRETARY

THESE COMMON DECLARATIONS AND THE COMMON POLICY CONDITIONS, TOGETHER WITH THE COVERAGE PART COVERAGE FORM(S),
AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

20-1595 11 85

PAGE 001 of 001



POLICY NUMBER: CLP 7973776

--- LOSS PAYEE SCHEDULE ---

AMARILLO NATIONAL BANK-BORGER
PO BOX 949
BORGER TX 79008

FOR PREMISES 1 BUILDING 1
LOAN NUMBER NOT SUPPLIED
REFER TO FORM CP1218 LOSS PAYABLE



**CENTRAL PREMIER PLUS
INCLUDING EQUIPMENT BREAKDOWN COVERAGE
COMMERCIAL PROPERTY COVERAGE PART
DECLARATIONS**

CENTRAL MUTUAL INSURANCE COMPANY

POLICY NUMBER: CLP 7973776 . POLICY PERIOD: FROM 01/12/2015 TO 01/12/2016

NAMED INSURED: DARYL ROBERTSON DDS PA

THE FORM(S) AND ENDORSEMENT(S) LISTED BELOW ARE APPLICABLE TO THIS COVERAGE PART AND MADE PART OF THIS POLICY. THESE FORMS AND ENDORSEMENTS, WHEN APPEARING ELSEWHERE IN THIS POLICY, HAVE THE SAME EDITION DATE.

CP0010 10 12	CP0030 10 12	CP0090 07 88	CP0140 07 06	CP0142 03 12
CP1030 10 12	CP1218 10 12	14-2012 11 85	14-2660 04 02	14-3039 02 11
14-3049 07 14	14-3064 06 08	14-3250 07 08	14-3254 07 08	14-3268 01 09
14-3359 03 12	14-3417 08 13	14-3504 11 13		

INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN.

PREMISES BLDG
NO NO
01 01 101 N MCGEE
BORGER TX 79007-0000
OCCUPANCY: DENTISTS OFFICE

DEDUCTIBLE: \$1,000 EACH OCCURRENCE

COVERAGES	LIMIT OF INSURANCE	COINSURANCE OR LIMITATION	COVERED CAUSES OF LOSS
BUILDING	\$314,000	NONE	SPECIAL FORM
YOUR PERSONAL PROPERTY	\$380,000	NONE	SPECIAL FORM
PERSONAL PROPERTY OTHERS	NO COVERAGE		
BUSINESS INCOME	ACTUAL LOSS SUSTAINED		
INCLUDING RENTAL VALUE			

OPTIONAL COVERAGES/LIMITATIONS/EXCLUSIONS

PERIOD OF RESTORATION - 365 DAYS
REPLACEMENT COST APPLIES TO BUILDING AND YOUR PERSONAL PROPERTY
INCLUDING "STOCK".
GPII RATES ARE ADJUSTED TO INCLUDE A 1% WIND AND HAIL DEDUCTIBLE WITH A
MINIMUM WIND AND HAIL FIXED-DOLLAR DEDUCTIBLE OF \$ 2500

PREMIER PLUS INCLUDING EQUIPMENT BREAKDOWN \$303

PREMIER PLUS
SECTION I COVERAGE EXTENSION LIMIT: \$50,000
DEDUCTIBLE: \$1,000 EACH OCCURRENCE
EQUIPMENT BREAKDOWN
DEDUCTIBLE: \$1,000 EACH OCCURRENCE

DATA COMPROMISE & IDENTITY RECOVERY \$150

DEDUCTIBLES:
DATA COMPROMISE:
RESPONSE EXPENSES: \$1000
DEFENSE & LIABILITY: \$1000
IDENTITY RECOVERY: \$250

CYBERONE COVERAGE

SECTION 1 - COMPUTER ATTACK LIMIT	ANNUAL AGGREGATE	\$50,000
COMPUTER ATTACK DEDUCTIBLE		\$5,000
PER OCCURRENCE		

SECTION 2 - NETWORK SECURITY LIABILITY LIMIT		\$50,000
NETWORK SECURITY LIABILITY DEDUCTIBLE		\$5,000
PER OCCURRENCE		

PREMIUM FOR CERTIFIED ACTS OF TERRORISM

COMMERCIAL PROPERTY COVERAGE PART
DECLARATIONS, CONTINUED

NAMED INSURED
DARYL ROBERTSON DDS PA

POLICY NUMBER
CLP 7973776

UNDER THE TERRORISM RISK INSURANCE ACT

\$45.00

THE ADVANCE PREMIUM DUE FOR THIS COVERAGE PART AT INCEPTION IS \$6,109.00

1

DATE 11/04/2014

22

THESE DECLARATIONS, THE COMMON DECLARATIONS AND THE COMMON POLICY CONDITIONS, TOGETHER WITH COVERAGE FORM(S)
AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.



COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS

CENTRAL MUTUAL INSURANCE COMPANY

POLICY NUMBER: CLP 7973776 · POLICY PERIOD: FROM 01/12/2015 TO 01/12/2016

NAMED INSURED: DARYL ROBERTSON DDS PA

THE FORM(S) AND ENDORSEMENT(S) LISTED BELOW ARE APPLICABLE TO THIS COVERAGE PART AND MADE PART OF THIS POLICY. THESE FORMS AND ENDORSEMENTS, WHEN APPEARING ELSEWHERE IN THIS POLICY, HAVE THE SAME EDITION DATE.

CL0100 03 99	CL0273 01 01	CM0001 09 04	CM0112 09 13	IM2089 09 06
7-1235 11 85	7-1261 02 11	14-2162 05 12		

INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE COMPANY INDICATED ABOVE AGREES TO PROVIDE THE INSURANCE STATED IN THIS POLICY.

PREMISES	BLDG	
NO	NO	
01	01	101 N MCGEE
		BORGER TX 79007-0000

COVERAGE	LIMIT OF INSURANCE	DEDUCTIBLE
COMPUTER COVERAGE	\$10,000	HARDWARE, INCL MECHANICAL BREAKDOWN DEDUCTIBLE FOR BASE COVERAGE IS \$500 MECHANICAL BREAKDOWN \$2,500 PREMIUM: INCLUDED

PREMIUM FOR CERTIFIED ACTS OF TERRORISM UNDER THE TERRORISM RISK INSURANCE ACT	\$1.00
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THE ADVANCE PREMIUM DUE FOR THIS COVERAGE PART AT INCEPTION IS \$110.00

DATE 11/04/2014

22

THESE DECLARATIONS, THE COMMON DECLARATIONS AND THE COMMON POLICY CONDITIONS, TOGETHER WITH COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.



COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

CENTRAL MUTUAL INSURANCE COMPANY

POLICY NUMBER: CLP 7973776 POLICY PERIOD: FROM 01/12/2015 TO 01/12/2016
NAMED INSURED: DARYL ROBERTSON DDS PA

LIMITS OF INSURANCE	
GENERAL AGGREGATE LIMIT (OTHER THAN PRODUCTS/COMPLETED OPERATIONS)	\$2,000,000
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$3,000,000
PERSONAL AND ADVERTISING INJURY LIMIT	\$1,000,000
EACH OCCURRENCE LIMIT	\$1,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$100,000 ANY ONE FIRE
MEDICAL EXPENSE LIMIT	\$5,000 ANY ONE PERSON

THE FORM(S) AND ENDORSEMENT(S) LISTED BELOW ARE APPLICABLE TO THIS COVERAGE PART AND MADE PART OF THIS POLICY. THESE FORMS AND ENDORSEMENTS, WHEN APPEARING ELSEWHERE IN THIS POLICY, HAVE THE SAME EDITION DATE.

CG0001 04 13	CG0103 06 06	CG2106 05 14	CG2186 12 04	CG2196 03 05
CG2244 04 13	CG2425 12 04	CG2426 04 13	CG2639 12 07	IL0021 09 08
IL0168 03 12	8-1529 10 01	8-1541 02 06	8-1834 12 04	8-2203 05 09
20-1934 11 07				

PREMIUM BASES	A - AREA	EXPOSURE REPORTING BASES	A - EACH
	C - TOTAL COST		B - PER 1,000
	M - ADMISSIONS		
	P - PAYROLL		
	S - GROSS SALES		
	U - UNITS		

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE COMPANY INDICATED ABOVE AGREES TO PROVIDE THE INSURANCE STATED IN THIS POLICY.

PREMISES NUMBER

01 101 N MCGEE
BORGER TX 79007-0000

CLASSIFICATION	CODE NO	TERR	PREMIUM BASES	NET RATE	ADVANCE PREMIUM
PREMISES AND OPERATIONS					
MEDICAL OFFICES - DENTISTS	66561	020	AB		
PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT.			2,000	94.461	\$189

MISCELLANEOUS LIABILITY	LIMITS (IF APPLICABLE)	ADVANCE PREMIUM
NON-OWNED AUTO		\$172
HIRED CAR		\$59
PREMIUM FOR CERTIFIED ACTS OF TERRORISM UNDER THE TERRORISM RISK INSURANCE ACT		\$3
THE ADVANCE PREMIUM DUE FOR THIS COVERAGE PART AT INCEPTION IS		\$423

COMMERCIAL GENERAL LIABILITY COVERAGE PART
DECLARATIONS, CONTINUED

NAMED INSURED
DARYL ROBERTSON DDS PA

POLICY NUMBER
CLP 7973776

THE FOLLOWING INFORMATION IS REQUIRED TO COMPLETE FORM CG2244 04 13

EXCLUSION - SERVICES FURNISHED BY HEALTH CARE PROVIDERS

DESCRIPTION OF OPERATIONS:
PER GL SCHEDULE ON POLICY

THE FOLLOWING INFORMATION IS REQUIRED TO COMPLETE FORM CG2425 12 04

LIMITED FUNGI OR BACTERIA COVERAGE

FUNGI AND BACTERIA LIABILITY AGGREGATE LIMIT -
STATES OTHER THAN GEORGIA & NEW JERSEY: \$25,000 AGGREGATE LIMIT
GEORGIA: \$ 50,000 AGGREGATE LIMIT
NEW JERSEY: \$100,000 AGGREGATE LIMIT

IF THERE ARE MULTIPLE STATES ON THE POLICY, THE AGGREGATE LIMIT FOR
THIS POLICY IS EQUAL TO THE STATE WITH THE HIGHEST AGGREGATE LIMIT
LISTED ABOVE.

DATE 11/04/2014

22

THESE DECLARATIONS, THE COMMON DECLARATIONS AND THE COMMON POLICY CONDITIONS, TOGETHER WITH COVERAGE FORM(S)
AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Forms applicable to policy 7973776 on 11/04/2014.

* Denotes forms attached with this transaction.

FORM NUMBER	FORM TITLE
* CG2170 01 08	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL0017 11 98	COMMON POLICY CONDITIONS
IL0171 09 07	TEXAS CHANGES - LOSS PAYMENT
* IL0275 11 13	TX CHGS-CANC & NONRENEWAL-PROV FOR CASUALTY LINES....
IL0952 03 08	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
20-1769 08 91	PROVISIONS APPLICABLE TO CENTRAL MUTUAL & ALL AMERICA INS CO
20-1770 08 91	TX-MUTUAL POL CONDITIONS APPLICABLE TO CENTRAL MUTUAL
* 20-1900 09 92	CENTRAL MUTUAL POLICY COVER SHEET
CP0010 10 12	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CP0030 10 12	BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
CP0090 07 88	COML PROP CONDITIONS
CP0140 07 06	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
CP0142 03 12	TEXAS CHANGES
CP1030 10 12	CAUSES OF LOSS - SPECIAL FORM
CP1218 10 12	LOSS PAYABLE PROVISIONS
14-2012 11 85	QUICK REF-COML PROPERTY COVERAGE PART
14-2660 04 02	BUSINESS INCOME - COINSURANCE AMENDATORY ENDORSEMENT
14-3039 02 11	BUSINESS INCOME AND EXTRA EXPENSE
* 14-3049 07 14	CENTRAL PREMIER PLUS(R) PROPERTY EXTENSIONS COVERAGE END
14-3064 06 08	EQUIPMENT BREAKDOWN COVERAGE
14-3250 07 08	IDENTITY RECOVERY COVERAGE
14-3254 07 08	TEXAS CHANGES
14-3268 01 09	TEXAS CHANGES
14-3359 03 12	DATA COMPROMISE COVERAGE - TEXAS
* 14-3417 08 13	WINDSTORM OR HAIL PERCENTAGE DED WITH MIN FIXED-DOLLAR DED
* 14-3504 11 13	CYBERONE COVERAGE - TX
CL0100 03 99	COMMON POLICY CONDITIONS
CL0273 01 01	TX-AMENDATORY ENDORSEMENT
CM0001 09 04	COMMERCIAL INLAND MARINE CONDITIONS
CM0112 09 13	TX CHANGES
IM2089 09 06	AMENDATORY ENDORSEMENT TEXAS
7-1235 11 85	QUICK REF-COML IM COVERAGE PART
7-1261 02 11	COMPUTER COVERAGE
14-2162 05 12	SINGLE DEDUCTIBLE ENDORSEMENT
CG0001 04 13	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG0103 06 06	TX CHGS-CONDS REQUIRING NOTICE
* CG2106 05 14	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFO
CG2186 12 04	EXCLUSION - EXTERIOR INSULATION AND FINISH SYSTEMS
CG2196 03 05	SILICA OR SILICA-RELATED DUST EXCLUSION
* CG2244 04 13	EXCL-SERVICES FURNISHED BY HEALTH CARE PROVIDERS
* CG2425 12 04	LIMITED FUNGI OR BACTERIA COVERAGE
CG2426 04 13	AMENDMENT OF INSURED CONTRACT DEFINITION
CG2639 12 07	TEXAS CHANGES-EMPLOYMENT-RELATED PRACTICES EXCLUSION
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* 20-1806 05 10	TX-IMPORTANT NOTICE
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IL0017 11 98

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations or Change Endorsement may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations or Change Endorsement is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. PREMIUMS

The first Named Insured shown in the Declarations or Change Endorsement:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – LOSS PAYMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART

A. Loss Payment

1. With respect to the Crime And Fidelity Coverage Part and Equipment Breakdown Coverage Part, the following conditions are added.
2. With respect to the Commercial Inland Marine Coverage Part, the following conditions replace Item E. **Loss Payment** in the Commercial Inland Marine Loss Conditions.

a. Claims Handling

- 1) Within 15 days after we receive written notice of claim, we will:
 - a) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
 - b) Begin any investigation of the claim; and
 - c) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.
- 2) We will notify you in writing as to whether:
 - a) The claim or part of the claim will be paid;
 - b) The claim or part of the claim has been denied, and inform you of the reasons for denial;
 - c) More information is necessary; or
 - d) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in 2)a) through 2)d) above, within:

- I) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- II) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

b. We will pay for covered loss or damage within 5 business days after:

- 1) We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
- 2) An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this policy, we will make payment within 5 business days after the date you have complied with such terms.

c. Catastrophe Claims

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in a. and b. above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which is:

- 1) Declared a disaster under the Texas Disaster Act of 1975; or
- 2) Determined to be a catastrophe by the State Board of Insurance.

d. The term "business day," as used in this endorsement, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

B. With respect to the Commercial Inland Marine Coverage Part the following is added:

We will not be liable for any part of a "loss" that has been paid or made good by others.

14-2162 05 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SINGLE DEDUCTIBLE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL LINES POLICY

If there is business personal property insured under the policy to which the Computer Coverage Form is attached, the following will apply:

1. If a covered cause of loss results in damage to property insured under both coverage forms from the same occurrence, only one deductible will apply.
2. The deductible to apply will be the largest of the deductibles indicated for each coverage form.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TEXAS CHANGES – CANCELLATION AND NONRENEWAL PROVISIONS FOR
CASUALTY LINES AND COMMERCIAL PACKAGE POLICIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY
FARM COVERAGE PART – FARM LIABILITY COVERAGE FORM
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This endorsement also modifies insurance provided under the following when written as part of a Commercial Package Policy:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:

2. We may cancel this policy:

a. By mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.

However, if this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then the notice of cancellation, as described above, will be provided to the first Named Insured 30 days before the effective date of cancellation. We will also provide 30 days' written notice to each unit-owner to whom we issued a certificate or memorandum of insurance, by mailing or delivering the notice to each last mailing address known to us.

b. For the following reasons, if this policy does not provide coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two- family dwellings:

(1) If this policy has been in effect for 60 days or less, we may cancel for any reason except that, under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official.

(2) If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:

(a) Fraud in obtaining coverage;

(b) Failure to pay premiums when due;

- (c) An increase in hazard within the control of the insured which would produce an increase in rate;
 - (d) Loss of our reinsurance covering all or part of the risk covered by the policy; or
 - (e) If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.
- c. For the following reasons, if this policy provides coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two-family dwellings:
- (1) If this policy has been in effect for less than 90 days, we may cancel coverage for any reason.
 - (2) If this policy has been in effect for 90 days or more, or if it is a renewal or continuation of a policy issued by us, we may cancel coverage, only for the following reasons:
 - (a) If the first Named Insured does not pay the premium or any portion of the premium when due;
 - (b) If the Texas Department of Insurance determines that continuation of this policy would result in violation of the Texas Insurance Code or any other law governing the business of insurance in Texas;
 - (c) If the Named Insured submits a fraudulent claim; or
 - (d) If there is an increase in the hazard within the control of the Named Insured which would produce an increase in rate.
- B. The following condition is added and supersedes any provision to the contrary:
- Nonrenewal**
- 1. We may elect not to renew this policy except that, under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.
 - 2. This paragraph, 2., applies unless the policy qualifies under Paragraph 3. below.

If we elect not to renew this policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's premium.
 - 3. If this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then we will mail or deliver written notice of nonrenewal, at least 30 days before the expiration or anniversary date of the policy, to:
 - a. The first Named Insured; and
 - b. Each unit-owner to whom we issued a certificate or memorandum of insurance.We will mail or deliver such notice to each last mailing address known to us.
 - 4. If notice is mailed, proof of mailing will be sufficient proof of notice.
 - 5. The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

14-2012 11 85

**QUICK REFERENCE
COMMERCIAL PROPERTY COVERAGE PART**

READ YOUR POLICY CAREFULLY

The Commercial Property Coverage Part in your policy consists of Declarations, one or more Coverage Forms, Commercial Property Conditions, Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up this Coverage Part.

DECLARATIONS

- Named Insured and Mailing Address
- Policy Period
- Description of Business
- Coverage Provided and Limits of Insurance
- Optional Coverages
- Forms and Endorsements applying to the Coverage Part at time of Issue

COVERAGE FORM(S)

COVERAGE

- Covered Property (If Applicable)
- Property Not Covered (If Applicable)
- Covered Causes of Loss (If Applicable)
- Additional Coverage (If Applicable)
- Coverage Extensions (If Applicable)

EXCLUSIONS

LIMITS OF INSURANCE

DEDUCTIBLE (If Applicable)

LOSS CONDITIONS (If Applicable)

ADDITIONAL CONDITIONS (If Applicable)

OPTIONAL COVERAGES (If Applicable)

DEFINITIONS (If Applicable)

CAUSES OF LOSS FORM (If Applicable)

- Covered Causes of Loss
- Exclusions
- Limitations (If Applicable)
- Additional Coverage (If Applicable)

COMMERCIAL PROPERTY CONDITIONS (CP0090)

- Concealment, Misrepresentation and Fraud
- Control of Property
- Insurance Under Two or More Coverages
- Legal Action Against Us
- Liberalization
- No Benefit to Bailee
- Other Insurance
- Policy Period, Coverage Territory
- Transfer of Rights of Recovery Against Others to Us

**COMMON POLICY CONDITIONS (IL0017) - See Common
Declarations**

- Cancellation
- Changes
- Examination of Your Books and Records
- Inspections and Surveys
- Premiums
- Transfer of Your Rights and Duties Under This Policy

ENDORSEMENTS (If Any)

CP0010 10 12

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H, Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, A.1., and limited in A.2. Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or

- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
 - (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
 - (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (e) Remove deposits of mud or earth from the grounds of the described premises;
 - (f) Extract "pollutants" from land or water; or
 - (g) Remove, restore or replace polluted land or water.
 - (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
 - (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
 - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results

from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.
The amount payable under this Additional Coverage is additional Insurance.
- (7) With respect to this Additional Coverage:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced at the same or another premises; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional

Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or

- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

f. Non-owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your business;
- (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
- (c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily in Portable Storage Units

(1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations; whichever distance is greater.

(2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.

(3) Coverage under this Extension:

- (a) Will end 90 days after the business personal property has been placed in the storage unit;
- (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.

(4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.

(5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or

any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100

– 250

\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- Pay its chosen appraiser; and
- Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- You must see that the following are done in the event of loss or damage to Covered Property:

- Notify the police if a law may have been broken.
- Give us prompt notice of the loss or damage. Include a description of the property involved.
- As soon as possible, give us a description of how, when and where the loss or damage occurred.
- Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- Cooperate with us in the investigation or settlement of the claim.

- We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - Pay the value of lost or damaged property;
 - Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;

- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
 - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
 - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
 - (ii) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:
 - (a) Vandalism;

- (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
 - c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
 - d. Glass at the cost of replacement with safety-glazing material if required by law.
 - e. Tenants' Improvements and Betterments at:
 - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the

remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 1 (Underinsurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 100,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example 2 (Adequate Insurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 200,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example 3

When: The value of the property is:
 Building at Location 1: \$ 75,000
 Building at Location 2: \$ 100,000
 Personal Property at Location 2: \$ 75,000
 \$ 250,000
 The Coinsurance percentage for it is: 90%
 The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is: \$ 180,000
 The Deductible is: \$ 1,000
 The amount of loss is:
 Building at Location 2: \$ 30,000
 Personal Property at Location 2: \$ 20,000
 \$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): \$40,000 – \$1,000 = \$39,000

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times

- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 = \$ 3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

 - (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
 - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.
- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the

Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

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BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F, Definitions.

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

(2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
 - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:

- (a) Used in the construction, alterations or additions; or
- (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (I) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (II) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (I) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (II) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.

- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 30 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

- 1. Alterations And New Buildings;
- 2. Civil Authority;
- 3. Extra Expense; or
- 4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

- b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

- (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- 1. The Coinsurance percentage shown for Business Income in the Declarations; times
- 2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;

- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
 The Coinsurance percentage is: 50%
 The Limit of Insurance is: \$ 150,000
 The amount of loss is: \$ 80,000

Step (1): $\$400,000 \times 50\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$150,000 \div \$200,000 = .75$

Step (3): $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
 The Coinsurance percentage is: 50%
 The Limit of Insurance is: \$ 200,000
 The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or

(2) The Limit Of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example

When: The Limit of Insurance is: \$ 120,000
 The fraction shown in the
 Declarations for this Optional
 Coverage is: 1/4
 The most we will pay for loss
 in each period of 30 consecutive
 days is: \$ 30,000
 (\$120,000 x 1/4 = \$30,000)
 If, in this example, the actual
 amount of loss is:

Days 1-30:	\$ 40,000
Days 31-60:	\$ 20,000
Days 61-90:	\$ 30,000
	\$ 90,000

We will pay:

Days 1-30:	\$ 30,000
Days 31-60:	\$ 20,000
Days 61-90:	\$ 30,000
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and
 - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
 - (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by
 - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
 - (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy;
 whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
 - (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.

- a. The slowdown or cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
 - (1) The Business Income Limit of Insurance; divided by
 - (2) The Agreed Value.

Example

When: The Limit of Insurance is: \$ 100,000
 The Agreed Value is: \$ 200,000
 The amount of loss is: \$ 80,000

Step (1): $\$100,000 \div \$200,000 = .50$

Step (2): $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

3. "Period of restoration" means the period of time that:

- a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and

- b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. "Rental Value" means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

- b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
- 6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

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COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - 1). Owned or controlled by you; or
 - 2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

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CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section G. Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in (5)(a), (5)(b) and (5)(c), all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system falls in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

b. Delay, loss of use or loss of market.

c. Smoke, vapor or gas from agricultural smudging or industrial operations.

d.(1) Wear and tear;

- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

(7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The "specified causes of loss";
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.
- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.
- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph B.1.a. Ordinance Or Law;
 - (b) Paragraph B.1.c. Governmental Action;
 - (c) Paragraph B.1.d. Nuclear Hazard;
 - (d) Paragraph B.1.e. Utility Services; and
 - (e) Paragraph B.1.f. War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:
 - (a) **Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

 - (i) Your assumption of liability was executed prior to the accident; and
 - (ii) The building is Covered Property under this Coverage Form.
 - (b) **Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, china/ware and porcelain, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

(1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):

- a. \$2,500 for furs, fur garments and garments trimmed with fur.
- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$2,500 for patterns, dies, molds and forms.
- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in D.1. through D.7.

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in 2.a. or 2.b.;
 - (2) One or more of the "specified causes of loss";
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.

3. This Additional Coverage – Collapse does not apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

If an abrupt collapse is caused by a cause of loss listed in 2.a. through 2.d., we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

- 5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
 - a. The collapse of personal property was caused by a cause of loss listed in 2.a. through 2.d.;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in 4., regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 5. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- 6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, tearing, settling, shrinkage or expansion.
- 7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in D.1. through D.7.

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

- 1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:
 - a. A "specified cause of loss" other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
- 3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a

12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
 - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension F.3. does not increase the Limit of Insurance.

G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means:
 - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
 - (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in c.(1) or c.(2) of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

CP0140 07 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus," wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants."
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1. Exclusion of "Fungus," Wet Rot, Dry Rot And Bacteria; and
 - 2. Additional Coverage - Limited Coverage for "Fungus," Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

14-2660 04 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME – COINSURANCE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

Paragraph D, Additional Condition, COINSURANCE, in the Business Income (and Extra Expense) Coverage Form and Business Income (without Extra Expense) Coverage form is deleted.

14-2660 04 02

14-3039 02 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS INCOME AND EXTRA EXPENSE
Amendment of Limits of Insurance**

This endorsement modifies Insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

B. Limits of Insurance is deleted and replaced by the following:

We will only pay for loss of Business Income and necessary Extra Expense that occurs within 365 consecutive days (unless otherwise shown on the Declarations or Change Endorsement) after the date of direct physical loss or damage. The coverage is not subject to the Limits of Insurance.

The limit applicable to the Coverage Extension of the Coverage Form is in addition to this Coverage.

14-3254 07 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

- A.** Paragraph 3. under the **IDENTITY RECOVERY COVERAGE** section of the **IDENTITY RECOVERY COVERAGE** endorsement is replaced by the following:
3. Such "identity theft" is reported to us within 90 days after it is first discovered by the "identity recovery insured."
- B.** Paragraph 2. of the **Help Line CONDITION** of the **IDENTITY RECOVERY COVERAGE** endorsement is replaced by the following:
2. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.
- In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.
- As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 90 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."
- C.** Paragraph 3. under the **DATA COMPROMISE - COVERED CAUSE OF LOSS** section of the **DATA COMPROMISE COVERAGE** endorsement is replaced by the following:
3. Such "personal data compromise" is reported to us within ninety days of the date it is first discovered by you.

14-3254 07 08

14-3417 08 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE
WITH MINIMUM FIXED-DOLLAR DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY
TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE *

Minimum Windstorm or Hail Fixed-Dollar Deductible:

Windstorm or Hail Percentage Deductible:

Premises Number	Building Number	Windstorm Or Hail Deductible Percentage – Enter 1%, 2% Or 5% %
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* (If no entry appears above, information required to complete this endorsement will be shown in the Declarations or Change Endorsement as applicable to this endorsement.)

A. WINDSTORM OR HAIL DEDUCTIBLE

1. The Windstorm or Hail Percentage Deductible will be calculated and applied as shown in the Windstorm or Hail Deductible Calculations below. But in no event shall the deductible amount for all covered property at a single premises be less than the Minimum Windstorm or Hail Fixed-Dollar Deductible shown in the Declarations or Change Endorsement.
2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; or any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct the Minimum Windstorm or Hail Deductible or an amount equal to a percentage of the value(s) of the property at time of loss, whichever is higher. The applicable percentage for Newly Acquired Or Constructed Property is the highest percentage shown in the Declarations or Change Endorsement for any described premises.

B. WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE CALCULATIONS

1. **Calculation Of The Percentage Deductible – All Policies**
 - a. A Deductible is calculated separately for, and applies separately to:
 - (1) Each building that sustains loss or damage;
 - (2) The personal property at each building at which there is loss or damage to personal property; and
 - (3) Personal property in the open.If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.
2. **Calculation Of The Percentage Deductible – Specific Insurance Other than Builders' Risk**

a. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule, Declarations or Change Endorsement) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

b. Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule, Declarations or Change Endorsement) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the latest value(s) shown in the most recent Report of Values on file with us.

However:

- (1) If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- (2) If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

3. Calculation Of The Percentage Deductible -- Blanket Insurance Other Than Builders' Risk

a. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule, Declarations or Change Endorsement) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is that shown in the most recent Statement of Values on file with us.

b. Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule, Declarations or Change Endorsement) of the value(s) of that property as of the time of loss or damage.

4. Calculation Of The Percentage Deductible -- Builders' Risk Insurance

a. Builders' Risk Other Than Reporting Form

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule, Declarations or Change Endorsement) of the actual cash value(s) of that property as of the time of loss or damage.

b. Builders' Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule, Declarations or Change Endorsement) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

- (1) If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.
- (2) If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

C. Examples -- Application Of Deductible

Example 1 -- Specific Insurance (B.1.)

The amounts of loss to the damaged property are \$60,000 (Building) and \$40,000 (Personal Property in building).

The value of the damaged building at time of loss is \$400,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations or Change Endorsement is 80%; the minimum Limits of Insurance needed to meet the Coinsurance requirement are \$320,000 (80% of \$400,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The actual Limits of Insurance on the damaged property are \$350,000 on the building and \$65,000 on

the personal property (therefore, no Coinsurance penalty).

The Deductible is 1%. The Minimum Fixed-Dollar Deductible is \$2,500.

Building

Step (1): $\$350,000 \times 1\% = \$3,500$

Step (2): $\$60,000 - \$3,500 = \$56,500$

Personal Property

Step (1): $\$65,000 \times 1\% = \650

Step (2): $\$40,000 - \$650 = \$39,350$

The most we will pay is \$95,850. The portion of the total loss not covered due to application of the Deductible is \$4,150.

Example 2 – Specific Insurance (B.1.) With Minimum Fixed-Dollar Deductible Applied

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations or Change Endorsement is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is \$80,000 (80% of \$100,000).

The actual Limit of Insurance on the damaged building is \$80,000 (therefore, no Coinsurance penalty).

The Percentage Deductible is 1%. The Minimum fixed-Dollar Deductible is \$2,500.

Step (1): $\$80,000 \times 1\% = \800

Step (2): $\$60,000 - \$2,500 = \$57,500$ (Because the percentage deductible amount is less than \$2,500, the Minimum Fixed Dollar Deductible applies.)

The most we will pay is \$57,500. The remainder of the loss, \$2,500, is not covered due to deductible.

Example 3 – Blanket Insurance (B.3.)

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000) and Building 3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations or Change Endorsement is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The actual Blanket Limit Of Insurance covering Buildings 1, 2, and 3, shown in the Declarations or Change Endorsement, is \$1,800,000 (therefore, no Coinsurance penalty).

Buildings 1 and 2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building 1) and \$20,000 (Building 2).

The Deductible is 2%.

Building 1

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$40,000 - \$10,000 = \$30,000$

Building 2

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss not covered due to application of the Deductible is \$20,000.

Example 4 – Blanket Insurance (B.3.)

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000), Personal Property at Building 1 (\$250,000) and Personal Property at Building 2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations or Change Endorsement is 90%; the minimum

Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The actual Blanket Limit Of Insurance covering Buildings 1 and 2 and Personal Property at Buildings 1 and 2, shown in the Declarations or Change Endorsement, is \$1,350,000. Therefore, there is no Coinsurance penalty.

Building 1 and Personal Property at Building 1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Personal Property).

The Deductible is 5%.

Building

Step (1): $\$500,000 \times 5\% = \$25,000$

Step (2): $\$95,000 - \$25,000 = \$70,000$

Personal Property

Step (1): $\$250,000 \times 5\% = \$12,500$

The loss, \$5,000, does not exceed the Deductible.

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.

Example 5 – Blanket Insurance (B.3.) With Minimum Fixed-Dollar Deductible Applied

The sum of the values of Premises 1 Building 1 (\$150,000 Building, \$100,000 Personal Property) and Premises 2, Building 1 (\$100,000 Building, \$50,000 Personal Property), as shown in the most recent Statement of Values on file with us, is \$400,000.

The Coinsurance percentage shown in the Declarations or Change Endorsement is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$360,000 (90% of \$400,000).

The actual Blanket Limit Of Insurance covering Premises 1 and 2, shown in the Declarations or Change Endorsement, is \$360,000. Therefore, there is no Coinsurance penalty.

Building and Personal Property at Premises 2 have sustained damage; the amounts of loss are \$45,000 (Building) and \$5,000 (Personal Property).

The Deductible is 1%. The Minimum Fixed-Dollar Deductible is \$2,500.

Building

Step (1): $\$100,000 \times 1\% = \$1,000$

Step (2): $\$45,000 - \$1,000 = \$44,000$

Personal Property

Step (1): $\$50,000 \times 1\% = \500

Step (2): $\$5,000 - \$500 = \$4,500$

Because the total percentage deductible (\$1,500) is less than \$2,500, the Minimum Fixed-Dollar Deductible of \$2,500 applies. The most we will pay is \$47,500 [(\$45,000 + \$5,000) - \$2,500]. The remainder of the loss, \$2,500, is not covered due to application of the Deductible.

14-3049 07 14

THIS ENDORSEMENT AMENDS YOUR POLICY. PLEASE READ IT CAREFULLY.

CENTRAL PREMIER PLUS® PROPERTY EXTENSIONS COVERAGE ENDORSEMENT

This endorsement modifies the following forms:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT OWNERS COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

Coverage is amended by the following changes to Additional Coverages, Coverage Extensions, Condition and Exclusions. All other Limitations, Conditions, and Exclusions apply.

SECTION I - BLANKET ADDITIONAL COVERAGES AND COVERAGE EXTENSIONS

SCHEDULE *

Blanket Limit of Insurance	\$
Deductible	\$ <u>1,000</u>

* (If no entry appears above, information required to complete this endorsement will be shown in the Declarations or Change Endorsement as applicable to this endorsement.)

The Blanket Limit of Insurance shown in the Schedule or Declarations applies over all Additional Coverages and Coverage Extensions shown below, subject to any sublimits specified in this endorsement. Unless otherwise stated, this Blanket Limit of Insurance applies separately at each covered premises shown in the Schedule or Declarations and is in addition to, not part of, the limits in the applicable coverage form.

At time of loss, the first Named Insured may elect to apportion this Blanket Limit of Insurance to one or any combination of the listed Additional Coverages and Coverage Extensions, but under no circumstance will the aggregate apportionment be permitted to exceed the Blanket Limit of Insurance shown in the Schedule or Declarations at any one covered premises. For the purpose of the application of the Blanket Limit of Insurance, all property at one premises shall constitute a single premises.

The coverages afforded in this Blanket Limit of Insurance are subject to the applicable coverage provisions which form a part of this policy.

Deductible

As respects coverage provided by this endorsement, we will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule or Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the Blanket Limit of Insurance.

If a loss is covered under this endorsement and also covered under insurance provided elsewhere in this policy, the loss amounts will be combined for purposes of applying a deductible and only the largest of the applicable deductibles will apply.

Additional Coverages and Coverage Extensions:

Accounts Receivable	*Food Contamination
Building Ordinance or Law	*Inventory or Appraisal
*Business Income & Extra Expense with Service Interruption	Lessor's Additional Expenses
Business Income from Dependent Properties	*Lessor's Additional Expenses
*Business Income from Dependent Properties	Lost Key Consequential Loss
Consequential Loss	Non-Owned Detached Trailers
Crime Coverages	Outdoor Property
*Employee Theft	*Outdoor Fences
Forgery or Alteration	Outdoor Light Poles
Theft of Money and Securities	Outdoor Signs
*Computer Fraud	*Personal Effects – Property of Others
*Funds Transfer Fraud	Pollutant Clean Up and Removal
Money Orders and Counterfeit Money	Property off Premises
Disaster Rebuilding Expenses	Property in Transit or Property in Custody of
Electronic Data	*Salespersons
Fine Arts	*Reward
*Fire Department Service Charge	*Sewer, Drain or Sump Back Up or Overflow
Fire Protective Devices	Temperature-Humidity Change
	Valuable Papers and Records (Other Than Electronic Data)
	*Valuable Papers and Records (Other Than Electronic Data) at Storage Locations

* These coverages have sublimits.

A. Additional Coverages and Coverage Extensions as shown in the applicable Coverage Form are amended as shown below:

1. Accounts Receivable

- a. You may extend the insurance that applies to Your Business Personal Property to apply to your records of accounts receivable:
 - 1) At a described premises or in or on a vehicle in transit between described premises; or
 - 2) If the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss.
- b. The amount of your Accounts Receivable loss includes:
 - 1) Debt owed to you from your customers if you are unable to collect the debt as a direct result of a covered loss or damage to your accounts receivable records;
 - 2) Interest charges on debt you must borrow to offset your reduced cash flow;
 - 3) Additional collection costs, over and above your usual collection costs, made necessary because of loss or damage; and
 - 4) Reasonable expenses you must incur to re-establish your accounts receivable records.
- c. Accounts receivable loss payment will be determined as follows:
 - 1) When there is proof that a covered loss has occurred but you cannot accurately establish the amount of accounts receivable outstanding at the time of the loss, the amount of the loss will be computed as follows:
 - a) Determine the total of the average monthly amounts of accounts receivable for the 24 months immediately preceding the month in which the loss or damage occurs; and
 - b) Adjust the total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - 2) We will deduct from the established total amount of accounts receivable:
 - a) The amount of any accounts evidenced by records not lost or damaged;

- b) Any other amounts you are able to establish or collect; and
- c) An amount to allow for probable bad debts which you normally would have been unable to collect.
- 3) If you recover the amount of any accounts receivable that were in the amount of the paid loss, you will return the recovered amount to us, up to the total amount of the paid loss. You will keep the amount of any accounts receivable you recover in excess of the amount of the paid loss.

2. Building Ordinance or Law

You may extend the insurance provided by the applicable Coverage Form to apply to Building Ordinance or Law Coverage.

- a. If there is an ordinance or law in effect at the time of loss that regulates zoning, land use or construction of a covered building, and if enforcement of that ordinance or law affects the repair of that building following damage by a Covered Cause of Loss, you may extend the insurance on Building to cover:

- 1) Costs to demolish and clear the site of the undamaged portions of the building;
- 2) The value of the undamaged portions of the building; and
- 3) The increased cost to repair or rebuild the building with another building of the same size.

- b. We will not pay more under this Coverage Extension than if the repaired or replaced building was:

- 1) Rebuilt at the same location, as soon as reasonably possible.
- 2) To the same extent the law permits, of the same size as the one it replaces; and
- 3) Designed for the same type of occupancy as the one it replaces, unless otherwise required by zoning or land use ordinance or law.

The increased building costs must be kept to the minimum needed to satisfy legal requirements.

- c. If you do not repair or replace the damaged building, we will pay under this Coverage Extension only to demolish and clear the site of the undamaged portions of the building.
- d. This Coverage Extension does not apply to the costs associated with the enforcement of any ordinance or law that:
 - 1) requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - 2) The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- e. Under this endorsement we will not pay for loss due to any ordinance or law that:
 - 1) You were required to comply with before the loss, even if the building was undamaged; and
 - 2) You failed to comply with.

Exclusion B.1.a. of the CAUSES OF LOSS - SPECIAL FORM does not apply to this Coverage Extension.

3. Business Income and Extra Expense with Service Interruption

You may extend the insurance provided by the applicable Coverage Form for direct physical loss of or damage to Covered Property to apply to:

- a. The actual loss of Business Income you sustain due to the necessary suspension of your operations at the described premises as a result of covered direct loss or damage; and
- b. Necessary Extra Expenses you incur that you would not have incurred if there had been no such covered direct loss or damage.

This Extension only applies to the amount of loss incurred beginning 72 hours after the time of direct physical loss or damage to Covered Property at or within 1,000 feet of the property line of the described premises by a Covered Cause of Loss. It ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality, even if this is after the

expiration date of this policy. This does not include any increased time needed due to enforcement of any ordinance or law regulating:

- a. Building or land usage, demolition or construction; or
- b. Environmental damage or restoration

Business income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses necessarily incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Extra Expense means expense incurred:

- a. To avoid or minimize the suspension of business and to continue your operations at any location;
- b. To minimize the suspension of business if you cannot continue your operations; or
- c. To repair or replace any property or to research, replace or restore the information on damaged valuable papers and records, but only if those expenses reduce the amounts otherwise payable in this Extension.

The insurance provided by this additional coverage is extended to apply to loss caused by or resulting from a Covered Cause of Loss to equipment that is owned by a utility, landlord, or other supplier with whom you have a written agreement or contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam. Coverage provided by this extension applies regardless of the location of the equipment.

The most we will pay for loss or damage under this coverage is \$25,000.

4. Business Income from Dependent Properties, Secondary Contributing Locations or Secondary Recipient Locations

You may extend the insurance provided by the Coverage form for direct loss of or damage to Covered Property to apply to the actual loss of Business Income you sustain due to the necessary suspension of your operations. The suspension must be caused by direct physical loss of or damage to "dependent property", "secondary contributing location" or "secondary recipient location" caused by or resulting from a Covered Cause of Loss. However, coverage under this endorsement does not apply when the only loss to "dependent property", "secondary contributing location" or "secondary recipient location" is loss or damage to electronic data including destruction or corruption of electronic data. If the "dependent property", "secondary contributing location" or "secondary recipient location" sustains loss or damage to electronic data and other property, coverage under this endorsement will not continue once the other property is repaired, rebuilt or replaced. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

This Extension only applies to the amount of loss incurred beginning 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property", "secondary contributing location" or "secondary recipient location" and ending on the date when the property at the premises of the "dependent property", "secondary contributing location" or "secondary recipient location" should be repaired, rebuilt or replaced with reasonable speed and similar quality. This does not include any increased time needed due to enforcement of any ordinance or law regulating:

- a. Building or land usage, demolition or construction; or
- b. Environmental damage or restoration

We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations," in whole or in part, by using any other available:

- a. Source of materials; or
- b. Outlet for your products.

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses necessarily incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

"Dependent property" means property operated by others whom you depend on to:

- a. Deliver materials or services to you, or to others for your account. But any property which delivers any of the following services is not dependent property with respect to such services:
 - 1) Water supply services;
 - 2) Power supply services; or
 - 3) Communication supply services, including services relating to internet access or access to any electronic network;
- b. Accept your products or services;
- c. Manufacture products for delivery to your customers under contract of sale; or
- d. Attract customers to your business.

"Secondary contributing location" is an entity which:

- a. Is not owned or operated by a Dependent Property; and
- b. Delivers materials or services to a Dependent Property, which in turn are used by that Dependent Property in providing materials or services to you.

A road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure is not a "secondary contributing location".

Any property which delivers any of the following services is not a "secondary contributing location" with respect to such services:

- 1) Water supply services;
- 2) Power supply services;
- 3) Wastewater removal services; or
- 4) Communication supply services, including services relating to Internet access or access to any electronic network.

"Secondary recipient location" is an entity which:

- a. Is not owned or operated by a Dependent Property; and
- b. Accepts materials or services from a Dependent Property Identified in the Schedule, Declarations or Change Endorsement which in turn accepts your materials or services.

A road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure is not a "secondary recipient location".

The most we will pay for loss or damage under this coverage is \$25,000.

5. Consequential Loss

You may extend the Insurance that applies to Your Business Personal Property to pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in the process of manufacture at the described premises and the remaining parts cannot be used in conjunction with other "stock."

6. Crime Coverage

- a. You may extend the Insurance that applies to Your Business Personal Property to provide the following Crime coverages. These coverages apply to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in the additional Conditions c.4) and c.5) which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period to Discover Loss Condition c.2):

1) Employee Theft

We will pay for loss or damage to "money," "securities," and "other property" resulting directly from "theft" committed by an "employee," whether identified or not, acting alone or in collusion with other persons.

For the purposes of this coverage, "theft" shall also include forgery.

If the Blanket Limit of Insurance is more than \$50,000, the most we will pay for loss or damage under this coverage is \$50,000.

2) Forgery Or Alteration

a) We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- i) Made or drawn by or drawn upon you; or
- ii) Made or drawn by one acting as your agent; or that are purported to have been so made or drawn.

A substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b) If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3) Theft Of Money And Securities

a) Inside the Premises

- i) We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":
 - a) Resulting directly from "theft" committed by a person present inside such "premises" or banking "premises"; or
 - b) Resulting directly from disappearance or destruction.
- ii) We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities," if you are the owner of the "premises" or are liable for damage to it.
- iii) We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

b) Outside The Premises

- i) We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft, disappearance or destruction."
- ii) We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery."

4) Computer Fraud

We will pay for loss of or damage to "money," "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

- a) To a person (other than a "messenger") outside those "premises"; or
- b) To a place outside those "premises."

The most we will pay for loss or damage under this coverage is \$25,000.

5) Funds Transfer Fraud

We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account."

The most we will pay for loss or damage under this coverage is \$25,000.

6) Money Orders And Counterfeit Money

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- a) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b) "Counterfeit money" that is acquired during the regular course of business.

b. Exclusions

In addition to the **Exclusions** in Causes of Loss - Special Form, the following **Exclusions** are added as respects the Crime Coverage provided by this endorsement:

1) This insurance does not cover:

a) Acts Of Employees Learned Of By You Prior To The Policy Period

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members," "managers," officers, directors or trustees, not in collusion with the "employee," learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.

b) Acts Of Employees, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees," "managers," directors, trustees or authorized representatives:

- i) Whether acting alone or in collusion with other persons; or
- ii) While performing services for you or otherwise.

This exclusion does not apply to coverage provided by **Employee Theft**.

c) Confidential Information

Loss resulting from:

- i) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- ii) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

d) Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- i) Your inability to realize income that you would have realized had there been no loss of or damage to "money," "securities" or "other property."
- ii) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- iii) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

e) Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under **Forgery Or Alteration**.

2) Employee Theft does not cover:

a) Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

b) Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

3) Theft Of Money and Securities does not apply to:

- a) **Accounting Or Arithmetical Errors Or Omissions**
Loss resulting from accounting or arithmetical errors or omissions.
 - b) **Exchanges Or Purchases**
Loss resulting from the giving or surrendering of property in any exchange or purchase.
 - c) **Fire**
Loss or damage resulting from fire, however caused, except:
 - i) Loss of or damage to "money" and securities"; and
 - ii) Loss from damage to a safe or vault.
 - d) **Money Operated Devices**
Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
 - e) **Motor Vehicles Or Equipment And Accessories**
Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.
 - f) **Transfer Or Surrender Of Property**
 - i) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
 - a) On the basis of unauthorized instructions;
 - b) As a result of a threat to do bodily harm to any person; or
 - c) As a result of a threat to do damage to any property.
 - d) As a result of a threat to introduce a denial of service attack into your computer system;
 - e) As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;
 - f) As a result of a threat to contaminate, pollute or render substandard your products or goods; or
 - g) As a result of a threat to disseminate, divulge or utilize:
 - 1) Your confidential information; or
 - 2) Weaknesses in the source code within your computer system
 - ii) But, this Exclusion does not apply under **Theft of Money and Securities Outside the Premises** if you:
 - a) Had no knowledge of any threat at the time the conveyance began; or
 - b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
 - g) **Vandalism**
Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.
- 4) **Computer Fraud does not cover:**
- a) **Credit Card Transactions**
Loss resulting from the use or purported use of credit, debt, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
 - b) **Funds Transfer Fraud**
Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account."
- 5) **Funds Transfer Fraud does not cover:**
- Computer Fraud**

Loss resulting from the use of any computer to fraudulent cause a transfer of "money," "securities" or "other property."

c. Conditions

The following Conditions are added as respects this **Crime Coverage** only:

1) Employee Benefit Plans

- a) If any Employee Welfare or Pension Benefit Plan (hereafter called Plan) is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for the Employee Dishonesty coverage that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
- b) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for **Employee Theft** that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.
- c) With respect to loss sustained or "discovered" by any such Plan, **Employee Theft** is replaced by the following:
We will pay for loss or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee," whether identified or not, acting alone or in collusion with other persons.
- d) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- e) If two or more Plans are insured under this insurance, any payment we make for loss:
 - i) Sustained by two or more Plans; or
 - ii) Of commingled "funds" or "other property" of two or more Plans, resulting directly from an "occurrence," will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.
- f) The Deductible does not apply to loss sustained by any Plan.
- g) If you "discover" loss sustained by an "employee benefit plan" and the Employee Theft Insuring Agreement of Insurance no longer complies with the minimum amount of coverage required for such plan(s) under ERISA, we agree to increase the Employee Theft Limit of Insurance with regard to such plan(s) so as to equal the minimum amount of coverage required under ERISA.
However, the increased coverage will only apply if the Employee Theft Insuring Agreement provided coverage in an amount that was equal to or greater than the minimum amount required under ERISA at the time the policy was issued.

2) Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- a) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded, under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- b) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans."

3) Joint Insured

- a) If more than one insured is named in the Declarations, the first Named Insured will act for itself and for every other insured for all purposes of this insurance. If the Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.

- b) If any Insured, or partner "member" or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every insured.
 - c) An "employee" of any Insured is considered to be an "employee" of every Insured.
 - d) If this insurance or any of its coverages is cancelled to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:
 - i) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
 - ii) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans."
 - e) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.
 - f) Payment by us to the first Named Insured for loss sustained by any Insured, other than an "employee benefit plan," shall fully release us on account of such loss.
- 4) Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate**
- a) Loss Sustained Partly During This Insurance And Partly During Prior Insurance**
- If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:
- i) Partly during the Policy Period shown in the Declarations; and
 - ii) Partly during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;
- and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the Policy Period(s) of the prior insurance.
- b) Loss Sustained Entirely During Prior Insurance**
- If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:
- i) This insurance became effective at the time of cancellation of the prior insurance; and
 - ii) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence."
- We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the Policy Period(s) of any other prior insurance.
- c) In settling loss subject to this Condition the most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.**
- 5) Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate**
- a) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the Policy Period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this policy, provided:**
- i) This insurance became effective at the time of cancellation of the prior insurance;
- and

- II) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence."
 - b) In settling loss subject to this Condition the most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.
 - c) The insurance provided under this Condition is subject to the following:
 - I) If loss covered under this Condition is also partially covered under Condition 4); the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition 4).
 - II) For loss covered under this Condition that is not subject to Paragraph c) II), the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
 - a) This insurance as of its effective date; or
 - b) The prior cancelled insurance had it remained in effect.
- 6) Recoveries
- a) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or you, shall be applied net of the expense of such recovery:
 - I) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
 - II) Second, to us in satisfaction of amounts paid in settlement of your claim;
 - III) Third, to you in satisfaction of any Deductible Amount; and
 - IV) Fourth, to you in satisfaction of any loss not covered under this insurance.
 - b) Recoveries do not include any recovery:
 - I) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - II) Of original "securities" after duplicates of them have been issued
- 7) Valuation – Settlement
- a) The value of any loss for purposes of coverage under this policy shall be determined as follows:
 - I) Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:
 - a) At face value in the "money" issued by that country; or
 - b) In the United States of America dollar equivalent determined by the rate of exchange Published in *The Wall Street Journal* on the day the loss was "discovered."
 - II) Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered." We may, at our option:
 - a) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
 - b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - 1) Market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - 2) The Limit of Insurance applicable to the "securities."
 - c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:

- 1) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;
- 2) The amount you actually spend that is necessary to repair or replace the lost or damaged property; or
- 3) The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs 7)a)II)c)1) through 7)a)II)c)3), we will not pay on a replacement cost basis for any loss or damage:

- (a) Until the lost or damaged property is actually repaired or replaced; and
- (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- b) We will, at your option, settle loss or damage to property other than "money":
 - I) In the "money" of the country in which the loss or damage occurred; or
 - II) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage occurred determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was "discovered."
- c) Any property that we pay for or replace becomes our property.

8) Additional Conditions Applicable To All Crime Coverages

- a) If other valid and collectible insurance is available to the Insured for a loss we cover under Crime Coverage, and that other insurance is provided by an insurer other than us or a subsidiary of ours, we will pay only for the amount of loss in excess of the other insurance. But we will not pay more than the applicable Limit of Insurance.

9) Additional Conditions Applicable To Employee Theft Only

a) Termination As To Any Employees

Employee Theft coverage terminates as to any "employee" as soon as:

- I) You; or
- II) Any of your partners, "members," "managers," officers, directors, or trustees not in collusion with the "employee";
learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

b) Territory

We will pay for loss caused by any "employee" while temporarily outside the coverage territory for a period of not more than 90 consecutive days.

10) Additional Conditions Applicable To Forgery Or Alteration Only

a) Deductible Amount

The Deductible does not apply to legal expenses paid under Forgery Or Alteration coverage.

b) Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c) Proof of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d) Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world.

11) Additional Conditions Applicable To Theft of Money and Securities Outside the Premises Only

Armored Motor Vehicle Companies

We will only pay for the amount of loss you cannot recover:

- a) Under your contract with the armored motor vehicle company;
- and
- b) From any insurance or indemnity carried by, or for the benefit of customers of, armored motor vehicle company.

12) Additional Conditions Applicable To Computer Fraud Only

a) Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss or damage to manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

b) Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world.

d. Definitions

The following definitions are added as respects **Crime Coverages** only:

- 1) "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- 2) "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
- 3) "Custodian" means you, or any of your partners or "members," or any "employee" while having care and custody of property inside the "premises," excluding any person while acting as a "watchperson" or janitor.
- 4) "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.

5) "Employee":

a) "Employee" means:

i) Any natural person:

- a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";
- b) Who you compensate directly by salary, wages or commissions; and
- c) Who you have the right to direct and control while performing services for you;

ii) Any natural person who is furnished temporarily to you:

- a) To substitute for a permanent "employee" as defined in Paragraph a)i), who is on leave; or
- b) To meet seasonal or short-term work load conditions; while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises"; or

iii) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph a)ii).

- iv) Any natural person who is:
 - a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
 - b) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";
- v) Any natural person who is a former "employee," partner, "member," "manager," director or trustee retained as a consultant while performing services for you;
- vi) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises";
- vii) Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or
- viii) Any of your "managers," directors or trustees while:
 - a) Performing acts within the scope of the usual duties of an "employee"; or
 - b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.
- b) "Employee" does not mean:

Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 5)a).
- 6) "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.
- 7) "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- 8) "Fraudulent instruction" means:
 - a) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
 - b) A written instruction (other than those described in **Forgery Or Alteration**) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
 - c) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.
- 9) "Funds" means "money" and "securities."
- 10) "Manager" means a person serving in a directorial capacity for a limited liability company.
- 11) "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager."
- 12) "Messenger" means you, or a relative of yours, or any of your partners or "members," or any "employee" while having care and custody of property outside the "premises."
- 13) "Money" means:
 - a) Currency, coins and bank notes in current use and having a face value; and
 - b) Travelers checks, register checks and money orders held for sale to the public.
- 14) "Occurrence" means:

- a) Under Employee Theft:
 - i) An individual act;
 - ii) The combined total of all separate acts whether or not related; or
 - iii) A series of acts whether or not related;
committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition c.4) and c.5).
- b) Under Forgery Or Alteration
 - i) An individual act;
 - ii) The combined total of all separate acts whether or not related; or
 - iii) A series of acts whether or not related;
committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition c.4). or c.5)
- c) Under All Other Crime Coverage;
 - i) An individual act or event;
 - ii) The combined total of all separate acts or events whether or not related; or
 - iii) A series of acts or events whether or not related;
committed by a person acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition c.4). and c.5).
- 15) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this insurance.
- 16) "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 17) "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
 - a) Caused or threatened to cause that person bodily harm; or
 - b) Committed an obviously unlawful act witnessed by that person.
- 18) "Safe burglary" means the unlawful taking of:
 - a) Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - b) A safe or vault from inside the "premises."
- 19) "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
 - a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
but does not include "money."
- 20) "Theft" means the unlawful taking of property to the deprivation of the insured.
- 21) "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":
 - a) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - b) By means of written instructions (other than those described in **Forgery Or Alteration**.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

22) "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

7. Disaster Rebuilding Expenses

a. You may extend the insurance provided by the applicable Coverage Form to pay for direct physical loss or damage to covered property excess of the applicable limits stated in the Schedule, Declarations or Change Endorsement. We will pay under this coverage if all of the following conditions are met, subject to all limitations of this endorsement:

1) The event that caused the covered loss:

- a) Results in declaration of a state of disaster by federal or state authorities; or
- b) Occurs in close temporal proximity to the event that resulted in declaration of disaster by federal or state authorities.

2) Expenses for labor and/or building materials for repair or replacement of the damaged property increase as a result of the disaster and the total cost of repair or replacement exceeds the applicable Limit of Insurance due to such increase in expenses;

3) You elect to repair or replace the damaged building; and

4) You notified us, within 30 days of completion, of any improvements, alterations or additions to the building which increase the replacement cost of the building by 5% or more, and allowed us to adjust the Limit of Insurance, if necessary, to maintain the required Insurance-to-value level.

b. When the cost of repair or replacement increases in accordance with the terms of this endorsement, we will pay the increased expenses actually incurred, up to the Blanket Limit of Insurance or \$100,000 whichever is less.

c. The maximum amount of Disaster Rebuilding Expense Coverage available for the extra expense of repair or replacement of a building listed in the Schedule, Declarations or Change Endorsement is determined in accordance with the following provisions:

1) Apply 5% for Disaster Rebuilding Expense Coverage to:

- a) The Limit of Insurance shown in the Schedule, Declarations or Change Endorsement as applicable to the building (adjusted first for inflation if the Inflation Guard option applies), when such Limit covers only that building (exclusive of contents); or
- b) The value of the building (as shown in the most recent statement of values in this policy or on file with us) when insurance is written on a blanket basis. (For the purpose of this endorsement, blanket insurance covers two or more buildings, or a building(s) and its contents, under a single Limit of Insurance.)

However, if the building is subject to a lower Limit of Insurance (sub-limit) for the Covered Cause of Loss that caused the loss, then the 5% will be applied to that sub-limit.

d. Annual Aggregate

The following applies when payments are made under this endorsement as a result of one or more covered events in an annual policy term:

- 1) When payments reach the maximum amount of Disaster Rebuilding Expense Coverage, such coverage will not apply to a subsequent event which occurs in the same annual policy term.
- 2) When payments total less than the maximum amount of Disaster Rebuilding Expense Coverage, the balance will be available for additional expenses incurred in a subsequent event which occurs in the same annual policy term.

e. Debris Removal

Up to 20% of the amount payable for Disaster Rebuilding Expense Coverage may be used to cover Debris Removal expense associated with the covered loss. This does not increase the maximum amount of Disaster Rebuilding Expense Coverage.

f. Ordinance or Law

When a building listed in the Schedule, Declarations or Change Endorsement is also covered for Coverage C under the Ordinance Or Law Coverage endorsement (if a part of this policy), up to 20%

of the amount payable for Additional Expense Coverage may be used to cover costs payable under Coverage C. This does not increase the maximum amount of Disaster Rebuilding Expense Coverage.

g. Newly Acquired Or Constructed Buildings

When a newly acquired or constructed building is covered under the terms of the Newly Acquired Or Constructed Property Coverage Extension, then the highest percentage shown in the Schedule, Declarations or Change Endorsement for any building will be applied to the applicable Limit of Insurance for newly acquired or constructed buildings.

The result is the amount of Disaster Rebuilding Expense Coverage applicable to the newly acquired or constructed building, subject to all other terms of this endorsement.

h. In determining the expenses payable under this endorsement, we will deduct any expenses recovered under a Business Income and/or Extra Expense Coverage Form, if any, in this policy.

This extension may not be used to cover the deductible amount of any coverage provided by this policy.

8. Electronic Data

- a. Under this Coverage, electronic data has the meaning described under Property Not Covered - Electronic Data.
- b. Subject to the provisions of this Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- c. The Covered Causes of Loss applicable to Your Business Personal Property apply to this Coverage Electronic Data, subject to the following:
 - 1) If the Causes of Loss - Special Form applies, coverage under this Coverage - Electronic Data is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
 - 2) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any "employee," including a temporary or leased "employee," or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- d. The most we will pay under this Coverage - Electronic Data is the Blanket Limit of Insurance of this endorsement for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

9. Fine Arts

You may extend the insurance provided by the applicable Coverage Form to apply to loss or damage to your "Fine Arts."

Loss or damage must be caused by or result from a Covered Cause of Loss. Exclusions B. 1.a., 1.b., 1.e. and 1.g. do not apply to this coverage extension.

We shall not pay for more than the value of your property as indicated on a sales slip or written appraisal from a qualified appraiser.

"Fine Arts" means paintings, etchings, pictures, tapestries, stained or rare art glass, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac and similar property of rarity, historical value, or artistic merit.

- 10. Fire Department Service Charge, Additional Coverages 4.c. of the applicable Coverage Form, Limit is increased to \$2,500.**

No deductible applies to this coverage extension.

11. Fire Protective Devices

You may extend the insurance provided by the applicable Coverage Form to pay for the cost to recharge or refill any fire protective equipment when discharged

- a. To prevent or control a covered loss;
- b. Accidentally; or
- c. As a result of malfunction of the equipment.

12. Food Contamination

- a. If the business described in the Schedule, Declarations or Change Endorsement is ordered closed by the Board of Health or any other governmental authority as a result of the discovery or suspicion of "food contamination", we will pay:

- 1) Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
- 2) Your cost to replace the food which is, or is suspected to be, contaminated;
- 3) Your expense to provide necessary medical tests or vaccinations for your employees (including temporary and leased employees) who are potentially infected by the "food contamination".

However, we will not pay for any expense that is otherwise covered under a Workers' Compensation Policy;

- 4) The loss of Business Income you sustain due to the necessary "suspension" of your "operations" as a result of the "food contamination". The coverage for Business Income will begin 72 hours after you receive notice of closing from the Board of Health or any other governmental authority; and
- 5) Additional advertising expenses you incur to restore your reputation.

The most we will pay for loss or damage to under this coverage is \$25,000.

- b. The applicable Limit is an annual aggregate limit and as such is the most we will pay for the total of all covered loss and expense caused by all occurrences in a 12-month period (starting with the beginning of the present annual policy period), regardless of the number of occurrences during that period of time. Thus, if the first occurrence does not exhaust the applicable Limit, then the balance of that Limit is available for a subsequent occurrence. If an occurrence begins during one annual policy period and ends during the following annual policy period, any Limit applicable to the following annual policy period will not apply to that occurrence.
- c. We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery or suspicion of "food contamination" at the described premises.
- d. With respect to the coverage provided under this endorsement, any exclusion of virus or bacteria in this policy does not apply.

For the purposes of this endorsement, "food contamination" means an outbreak of food poisoning or food-related illness of one or more persons arising out of:

- a. Tainted food you distributed or purchased;
- b. Food which has been improperly processed, stored, handled or prepared in the course of your business operations; or
- c. Food which has been contaminated by virus or bacteria transmitted through one or more of your employees, including temporary and leased employees.

13. Inventory or Appraisal

You may extend the insurance provided under the applicable Coverage Form to apply to the following expenses you incur, as required by the applicable Coverage Form, to prepare a claim:

- a. The cost of taking inventories;
- b. The cost of making appraisals; and
- c. The cost of preparing a statement of loss and other supporting exhibits.

We will not pay for any expenses billed by and payable to independent or public insurance adjusters or for expenses to prepare claims not covered by the applicable Coverage Form.

The most we will pay for loss or damage under this coverage is \$25,000.

14. Lessor's Additional Expenses

You may extend the insurance provided by the applicable Coverage form to apply to Covered Lessor's Additional Expenses you incur due to the cancellation of lease contracts by tenants resulting from direct physical loss of or damage to property at the premises described in the Schedule, Declarations or Change Endorsement caused by or resulting from any Covered Cause of Loss.

a. Covered Lessor's Additional Expenses

1) Loss of Lease Interest, meaning the difference between the:

- a) Rent you were collecting at the described premises prior to the loss; and
- b) Rental value of the described premises.

Rent includes only the customary rent due at the beginning of the month or other rental period.

Rent does not include:

- a) Bonus Payment, meaning money paid to you to acquire a lease;
- b) Security or other deposits made by tenants; or
- c) Prepaid Rent.

As respects Loss of Lease Interest, we will not pay more than the lesser of:

- a) Your Loss of Lease Interest for the 12 months following the date when the property at the described premises should be repaired, rebuilt or replaced; or
- b) Your Loss of Lease Interest for the period beginning with the date when the property at the described premises should be repaired, rebuilt or replaced and ending with the normal expiration date of each cancelled lease.

2) Move Back Expenses, meaning covered expenses you incur to move tenants forced to vacate the described premises because the portion of the building normally occupied by the tenant could not be occupied due to direct physical loss or damage to the described premises by a Covered Cause of Loss.

Covered expenses are:

- a) Costs you incur for packing, insuring, storing and moving your tenants' business personal property;
- b) Costs you incur to re-establish utility services used by your tenants;
- c) Costs you incur to install fixtures and equipment for use by your tenants;
- d) Costs you incur to unpack and set up stock and supplies for your tenants.

The most we will pay for loss or damage under this coverage is \$25,000.

15. Lost Key Consequential Loss

You may extend the insurance provided by the applicable Coverage Form to pay for consequential loss to locks and keys if a master key is lost or damaged. This coverage does not apply to keys in the possession of former "employees." We will pay for:

- a. The actual cost of keys and
- b. Adjustment of locks to accept new keys; or
- c. If required, new locks including the cost of their installation.

16. Non-Owned Detached Trailers, Coverage Extensions 5.f.(3) of the applicable Coverage Form, Limit is increased to the Blanket Limit of Insurance of this endorsement.

17. Outdoor Property

Paragraph A.5.e. of the applicable Coverage Form is amended as follows:

- a. The limit of insurance provided by this coverage extension is increased to the Blanket Limit of Insurance of this endorsement, but not more than \$1,000 for any one tree, shrub or plant.
- b. Reference to outdoor fences is removed.

18. Outdoor Fences

Outdoor fences are covered property.

Paragraph A.2.q. of the applicable Coverage Form is deleted and replaced with the following:

- q. The following property while outside of buildings:
 - 1) Grain, hay, straw or other crops;
 - 2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

If the Blanket Limit of Insurance is more than \$50,000, the most we will pay for loss or damage under this coverage is \$50,000.

19. Outdoor Light Poles

Outdoor light poles and lighting fixtures attached to those poles are considered outdoor fixtures.

20. Outdoor Signs

The \$2,500 limitation on outdoor signs in Item C. Limits of Insurance is removed.

21. Personal Effects - Property of Others

The Coverage Extension for Personal Effects and Property of Others is deleted and replaced with the following:

You may extend the insurance that applies to Your Business Personal Property to apply to:

- a. Personal effects owned by you, your officers, your partners or members, your managers or your "employees."
- b. Personal property of others in your care, custody or control except patterns, molds, models and dies.
- c. Patterns, Molds, Models and Dies of others in your care, custody or control.

This enhancement applies to Personal Effects and Personal Property of Others that is at the described premises or while in transit.

As respects Property of Others while in transit, we do not cover property of others that you are responsible for as:

- a. A carrier for hire; or
- b. An arranger of transportation; this includes carloader, consolidator, broker, freight forwarder, or shipping association.

The most we will pay for loss or damage under Extension a. and b. above is \$10,000 for any one occurrence at each described premises but we will not pay more than \$5,000 for loss or damage to the property of any one person under this Extension. The most we will pay for loss or damage under Extension c. above is \$25,000. Our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property.

22. Pollutant Clean Up and Removal, Additional Coverages 4.d. of the applicable Coverage Form, Limit is increased to the Blanket Limit of Insurance of this endorsement.

23. Property Off-Premises, Coverage Extensions 5.d.(3) of the applicable Coverage Form, Limit is increased to the Blanket Limit of Insurance of this endorsement.

24. Property In Transit or In the Custody of Salespersons

The Additional Coverage Extension, Property In Transit, is deleted and replaced with the following:

You may extend the insurance that applies to your Business Personal Property to apply to your Covered Property that is more than 1,000 feet from the property line of the described premises while in transit, or in the custody of sales persons. We will pay for shipments by mail only if registered.

This enhancement also applies to covered property that you have sold and are shipping at the owner's risk.

We only cover property that you have sold when the shipment has been rejected by the owner because:

- a. the property is damaged; and
- b. the owner of the property has refused to pay you.

We do not cover property of others that you are responsible for as:

- a. a carrier for hire; or
- b. an arranger of transportation; this includes carloader, consolidator, broker, freight forwarder, or shipping association.

The most we will pay for loss or damage under this coverage is \$25,000.

25. Reward

You may extend the insurance provided by the applicable Coverage Form to pay a reward to any individual or group (except you, your officers or partners) for information which results in the arrest and conviction of any one person or group for committing or trying to commit any illegal act(s) relating to a loss covered by this policy. The most we will pay for loss or damage under this coverage is \$25,000.

26. Sewer, Drain or Sump Back Up or Overflow

You may extend the insurance under the Coverage Form to apply to direct physical damage and the actual loss of Business Income you sustain or necessary Extra Expense you incur caused by water and water-borne materials that back up or overflow from a sewer, drain or sump, sump pump or related equipment.

We will not pay for loss or damage under this Coverage if:

- 1) The loss occurs or is in progress within 5 days of the effective date of this coverage; or
- 2) There is direct damage due to flood, surface water or overflow of any body of water.

Item 1) of this paragraph does not apply when coverage is added at the policy inception or renewal date.

Causes of Loss, Exclusion B.1.g.(3), B.2.d.(2), B.2.d.(7)(a), and B.2.d.(7)(b) do not apply to this Coverage.

The most we will pay for loss or damage under this coverage is \$25,000.

27. Temperature - Humidity Change Coverage

You may extend the insurance that applies to your Business Personal Property to apply to damage to your "stock" caused by or resulting from a covered cause of loss to equipment that is owned by a utility, landlord, or other supplier with whom you have a written agreement or contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water, or steam.

We will not pay for any loss or damage if you fail to use reasonable care to maintain all heating, cooling or humidity control equipment in proper operating condition.

28. Valuable Papers and Records (Other Than Electronic Data)

- a. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.
- b. The Causes of Loss - Special Form applies. Coverage under this Extension is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
- c. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

29. Valuable Papers and Records (Other Than Electronic Data) at Storage Locations

- a. You may extend the insurance that applies to Your Business Personal Property to apply to the cost

to replace or restore the lost information on valuable papers and records for which duplicates do not exist when those valuable papers and records are at a storage location not owned by you and not a described location. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.

- b. The Causes of Loss - Special Form applies. Coverage under this Extension is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
- c. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

The most we will pay for loss or damage under this coverage is \$25,000.

B. Definitions

The following definition is added to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM, the CONDOMINIUM ASSOCIATION COVERAGE FORM, the CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM, and the CAUSES OF LOSS - SPECIAL FORM.

- 1. "Employee" means any natural person while in your service and for 30 days after termination of service. "Employee" includes leased workers but not temporary workers.

As respects compliance with certain provisions of the Employee Retirement Income Security Act (ERISA), "employee" also includes any natural person who is:

- a. A trustee, an officer, employee, administrator or a manager, except an administrator or a manager who is an independent contractor, of any Employee Welfare or Pension Benefit Plan (hereafter called Plan) insured under this insurance; and
- b. Your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.

SECTION II – ADDITIONAL POLICY CHANGES AND CONDITIONS

A. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as follows:

1. Brand and Label

You may extend the insurance that applies to your Business Personal Property to apply to your expenses when you do not want to sell your damaged "stock" under your brand or label even though the damaged "stock" has a salvage value.

You have two options. You may:

- a. Remove the brand or label and then re-label the "stock" to comply with the law; or
- b. Label the damaged "stock" as salvage but, in doing so, cause no further damage to the "stock."

In either case, we will pay the difference between:

- a. The salvage value of the damaged "stock" with the brand or label attached; and
- b. The salvage value of the damaged "stock" with the brand or label removed.

2. Business Personal Property Limit - Seasonal Increase

- a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Schedule, Declarations or Change Endorsement is at least 100% of your average monthly values during the lesser of:
 - 1) The 12 months immediately preceding the date the loss or damage occurs; or
 - 2) The period of time you have been in business as of the date the loss or damage occurs.

When insurance on Business Personal Property is written on a blanket basis, the amount of seasonal increase will be based on the values shown in the most recent statement of values on file with us.

However, if the Cause of Loss that applies to the loss has a sub-limit that is lower than the value shown in the most recent statement of values, the 25% seasonal increase will be applied to that sub-limit. This extension shall not increase the Blanket Limit of Insurance or any other limit shown in this endorsement.

3. Collapse of Gutters or Downspouts

In the Causes of Loss -- Special Form under Additional Coverage -- Collapse, the following cause of loss is added to D.2.:

- e. Weight of ice and snow that collects on gutters or downspouts.

4. Expanded Premises

The policy provisions which state coverage is provided within 100 feet of the building or within 100 feet of the described premises described in the Schedule, Declarations or Change Endorsement are expanded to 1,000 feet.

5. Inflation Guard

- a. The Limits of Insurance (exclusive of this extension) applicable to the items shown on the Schedule, Declarations or Change Endorsement of this policy and shown below are increased during the policy period by the proportion by which the latest published Index has increased since the last premium due date:

- Buildings
- Your Business Personal Property
- Personal Property of Others
- Business Income
- Extra Expense

- b. At the premium due date, the Limits of Insurance will be increased automatically in accordance with the latest published Index and the appropriate premium charged.

- c. If the Limits of Insurance are changed at your request during the policy period, the effective date of this extension coincides with the effective date of such change.

- d. In this extension

- 1) "Index" means:

- a) For Buildings, the Commercial Building Cost Percent Change Factors published by Marshall & Swift/Boeckh relating to commercial construction.
- b) For Your Business Personal Property, Personal Property of Others, Business Income and Extra Expenses the "Producer Price Index" for all finished goods published by the United States Department of Labor.

- 2) "Premium due date" means the inception date of this policy or any renewal or anniversary date whichever is later.

- e. In no event will the Limits of insurance be reduced by use of this extension to less than those shown at the premium due date.

6. Limits and Time Change for Newly Acquired Property

In the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and CONDOMINIUM ASSOCIATION COVERAGE FORM:

The limit of \$250,000 is changed to \$500,000 in provision A.5.a.(1) of Newly Acquired or Constructed Property.

The limit of \$100,000 is changed to \$200,000 in provision A.5.a.(2) Your Business Personal Property. The number of days is changed from 30 to 60 days in provision A.5.a.(3)(b) of Period of Coverage

In the CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM:

The limit of \$100,000 is changed to \$200,000 in provision A.5.a.(1) Your Business Personal Property. The number of days is changed from 30 to 60 days in provision A.5.a.(3)(b) of Period of Coverage.

7. No Coinsurance

The Coinsurance provisions as stated in the applicable Coverage Form are deleted.

8. Tenant's Glass

If you are a tenant, Your Business Personal Property is amended to include building glass, including lettering or ornamentation, provided that:

- a. You are a tenant of the building shown in the Schedule, Declarations or Change Endorsement; and
- b. You have a contractual responsibility to insure the building glass, or a contractual responsibility to pay for loss or damage to that property.

The value of property covered under this coverage will be determined in accordance with the Valuation Condition in the applicable Coverage Form, or at the amount for which you are liable under contract, whichever is less. If required by law, glass is covered at the cost of replacement with safety glazing material. However, the most we will pay for this coverage is the Blanket Limit of Insurance of this endorsement.

9. Valuation

The following provisions are added:

f. Manufacturer's Selling Price (Finished "Stock" Only)

We will determine the value of finished "stock" you manufacture, in the event of loss or damage, at:

- 1) The selling price, as if no loss or damage occurred;
- 2) Less discounts and expenses you otherwise would have had.

g. Patterns, Molds, Models and Dies

We will determine the value of patterns, molds, models and dies of others in your care, custody or control, in the event of loss or damage, at:

- 1) 100% of replacement cost if used within the three (3) year period preceding loss or damage.
- 2) 50% of replacement cost if used within the last (6) year period preceding loss or damage but not within three (3) years preceding loss or damage.
- 3) Nothing if not used within the last (6) years.

10. Coverage Extension

The Coverage Extensions section of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM, CONDOMINIUM ASSOCIATION COVERAGE FORM, and CONDOMINIUM COMMERCIAL UNIT OWNERS COVERAGE FORM is amended to remove the requirement that a Coinsurance percentage of 80% or more or a Value Reporting Period symbol be shown in the Schedule, Declarations or Change Endorsement.

CP0142 03 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY**

A. When this endorsement is attached to the Standard Property Policy CP0099, the term Coverage Part is replaced by the term Policy.

B. The Legal Action Against Us

1. The Legal Action Against Us Commercial Property Condition is replaced by the following, except as provided in B.2. below:

Legal Action Against Us

a. Except as provided in Paragraph b., no one may bring a legal action against us under this Coverage Part unless:

- 1) There has been full compliance with all of the terms of this Coverage Part; and
- 2) The action is brought within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.

b. With respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, no one may bring a legal action against us under this Coverage Part unless:

- 1) There has been full compliance with all the terms of this Coverage Part; and
- 2) The action is brought within the earlier of the following:
 - a) Two years and one day from the date we accept or reject the claim; or
 - b) Three years and one day from the date of the loss or damage that is the subject of the claim.

2. Paragraph B.1. above does not apply to the Legal Action Against Us Loss Condition in the Legal Liability Coverage Form CP0040.

C. Appraisal

1. Except as provided in C.2. below, the Appraisal Loss Condition in the:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM;
BUILDERS RISK COVERAGE FORM;
CONDOMINIUM ASSOCIATION COVERAGE FORM;
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM;
EXTRA EXPENSE COVERAGE FORM;
LEASEHOLD INTEREST COVERAGE FORM;
TOBACCO SALES WAREHOUSES COVERAGE FORM; and
STANDARD PROPERTY POLICY**

is replaced by the following:

Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding as to the amount of loss. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal:

- a. You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
- b. We will still retain our right to deny the claim.

2. The Appraisal Condition in the:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM; and
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

is replaced by the following:

Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense and the amount of loss.

If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding as to the amount of loss. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal:

- a. You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
- b. We will still retain our right to deny the claim.

D. Under the Duties In The Event Of Loss Or Damage Loss Condition:

- a. Paragraph a.2) is replaced by the following:
 - 2) Give us prompt notice of the loss or damage. Include a description of the property involved. However, with respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss or damage that is the subject of the claim, except that a claim may be filed after the first anniversary of the date of the loss or damage for good cause shown by the person filing the claim.
- b. The provision requiring signed, sworn proof of loss, is replaced by the following:

Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 91 days after our request. We will supply you with the necessary forms.

E. Under the Loss Payment Condition, the provisions pertaining to notice of our intentions and the time period for payment of claims are deleted and replaced by the following:

1. Claims Handling

- a. Within 15 days after we receive written notice of claim, we will:
 - 1) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
 - 2) Begin any investigation of the claim; and
 - 3) Request a signed, sworn proof of loss; specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.
- b. We will notify you in writing as to whether:
 - 1) The claim or part of the claim will be paid;
 - 2) The claim or part of the claim has been denied, and inform you of the reasons for denial;
 - 3) More information is necessary; or
 - 4) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in b.1) through b.4) above, within:

- 1) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- 2) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

2. We will pay for covered loss or damage within five business days after:

- a. We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this Coverage Part, we will make payment within five business days after the date you have complied with such terms.

The following paragraphs are added:

3. Catastrophe Claims

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in E.1. and E.2. above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which:

- 1) Is declared a disaster under the Texas Disaster Act of 1975; or
- 2) Is determined to be a catastrophe by the State Board of Insurance.

4. The term "business day," as used in the Loss Payment Condition, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

F. The following is added to the Valuation Loss Condition:

Chapter 862 - Subsection 862.053. Policy A Liquidated Demand. A fire insurance policy, in case of total loss by fire of property insured, shall be held and considered to be a liquidated demand against the Company for the full amount of such policy. This subsection does not apply to personal property.

G. Paragraphs d. and f. of the Mortgageholders Additional Condition are replaced by the following:

- d.** If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- 1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- 2) Submits a signed, sworn proof of loss within 91 days after receiving notice from us of your failure to do so; and
- 3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- f.** If this policy is cancelled, we will give the mortgageholder named in the Declarations or Change Endorsement written notice of cancellation.

If we cancel this policy, we will give written notice to the mortgageholder at least:

- 1) 14 days before the effective date of cancellation if we cancel for your non-payment of premium; or
- 2) 30 days before the effective date of cancellation if we cancel for any other reason.

If you cancel the policy, we will give the mortgageholder notice of cancellation to be effective on the date stated in the notice. The date of cancellation cannot be before the 10th day after the date we mail the notice.

H. The following is added to Paragraph D.1. in the Duties In The Event Of Accident, Claim Or Suit Loss Condition in the Legal Liability Coverage Form:

We will notify the first Named Insured in writing of:

1. An initial offer to settle a claim made or "suit" brought against the Insured under this coverage. The notice will be given not later than the 10th day after the date on which the offer is made.
2. Any settlement of a claim made or "suit" brought against the Insured under this coverage. The notice will be given not later than the 30th day after the date of the settlement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

***SCHEDULE**

Location Number:	Building Number:	Applicable Clause (Enter C.1., C.2., C.3. or C.4.):
Description Of Property:		
Loss Payee Name:		
Loss Payee Address:		
Location Number:	Building Number:	Applicable Clause (Enter C.1., C.2., C.3. or C.4.):
Description Of Property:		
Loss Payee Name:		
Loss Payee Address:		

(*Information required to complete this Schedule, if not shown above, will be shown in the Declaration or Change Endorsement.)

- A. When this endorsement is attached to the Standard Property Policy CP 00 99, the term Coverage Part in this endorsement is replaced by the term Policy.**
- B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.**
- C. The following is added to the Loss Payment Loss Condition, as indicated in the Declarations or in the Schedule:**
- 1. Loss Payable Clause**
- For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an Insurable Interest, we will:
- a. Adjust losses with you; and**

- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

2. Lender's Loss Payable Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- (1) Warehouse receipts;
- (2) A contract for deed;
- (3) Bills of lading;
- (4) Financing statements; or
- (5) Mortgages, deeds of trust, or security agreements.

- b. For Covered Property in which both you and a Loss Payee have an insurable interest:

- (1) We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- (2) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

- (3) If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (a) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (c) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- (4) If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (a) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (b) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- c. If we cancel this policy, we will give written notice to the Loss Payee at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- d. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

3. Contract Of Sale Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered into a contract with for the sale of Covered Property.

- b. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:

- (1) Adjust losses with you; and
- (2) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

- c. The following is added to the Other Insurance Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

4. Building Owner Loss Payable Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building in which you are a tenant.

- b. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.

- c. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies Insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. The following is added as an Additional Coverage to the Causes of Loss - Special Form.

Additional Coverage - Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

- a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
- b. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

2. Unless otherwise shown in a Schedule, Declarations or Change Endorsement, the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay up to \$100,000 unless otherwise shown in a Schedule, Declarations or Change Endorsement the reasonable extra cost to:

- 1) make temporary repairs; and
- 2) expedite permanent repairs or permanent replacement.

b. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in a Schedule, Declarations or Change Endorsement.

c. Spoilage

1) We will pay:

- a) for physical damage to "perishable goods" due to spoilage;
- b) for physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;

- c) any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- 2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident," less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$100,000 unless otherwise shown in a Schedule, Declarations or Change Endorsement.

d. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost "data."

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in a Schedule, Declarations or Change Endorsement.

e. Service Interruption

- 1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by an "accident" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- 2) Unless otherwise shown in a Schedule, Declarations or Change Endorsement, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident."
- 3) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule, Declarations or Change Endorsement for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

f. Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations or Change Endorsement for that coverage, unless otherwise shown in a Schedule, Declarations or Change Endorsement.

3. EXCLUSIONS

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

a. The exclusions are modified as follows:

- 1) The following is added to Exclusion B.1.g.:

However, if electrical "covered equipment" requires drying out because of Water as described in g.1) through g.3) above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

- 2) As respects this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in 2.d.1) through 7) results in an "accident," we will pay for the loss, damage or expense caused by that "accident."

b. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:

- 1) any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving

"data" or "media" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense; or

2) any of the following tests:

a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.

c. With respect to Service Interruption coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

d. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:

1) loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or

2) any increase in loss resulting from an agreement between you and your customer or supplier.

e. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident":

Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is "perishable goods," to the extent that spoilage is covered under Spoilage coverage.

f. We will not pay under this endorsement for any loss or damage to animals.

4. DEFINITIONS

The following are added to G. DEFINITIONS:

a. "Boilers and vessels" means:

1) Any boiler, including attached steam, condensate and feedwater piping; and

2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule, Declarations or Change Endorsement.

b. "Covered equipment"

1) "Covered equipment" means, unless otherwise specified in a Schedule, Declarations or Change Endorsement Covered Property:

a) that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or

b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

2) None of the following is "covered equipment":

a) structure, foundation, cabinet, compartment or air supported structure or building;

b) insulating or refractory material;

c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;

d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;

e) "vehicle" or any equipment mounted on a "vehicle";

f) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;

- g) dragline, excavation or construction equipment; or
- h) equipment manufactured by you for sale.
- c. "Data" means information or instructions stored in digital code capable of being processed by machinery.
- d. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- e. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
- f. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."
- g. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- h. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston. This term does not appear elsewhere in this endorsement, but may appear in a Schedule, Declarations or Change Endorsement.
- i. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.
However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

B. The Building and Personal Property Coverage Form is modified as follows.

The definitions stated above also apply to section B. of this endorsement.

1. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a Schedule, Declarations or Change Endorsement. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

a. Deductibles for Each Coverage

- 1) Unless the Schedule, Declarations or Change Endorsement indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
- 2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule, Declarations or Change Endorsement. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- 3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.

b. Direct and Indirect Coverages

- 1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule, Declarations or Change Endorsement.
- 2) Unless more specifically indicated in the Schedule, Declarations or Change Endorsement:
 - a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

c. Application of Deductibles

1) Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule, Declarations or Change Endorsement. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

2) Time Deductible

If a time deductible is shown in the Schedule, Declarations or Change Endorsement, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

3) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of Interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of Interruption may not extend beyond the period of restoration.

The number indicated in the Schedule will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

4) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

2. CONDITIONS

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form and the Common Policy Conditions.

a. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

- 1) your last known address; or
- 2) the address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

b. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

c. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

d. Coinsurance

If a coinsurance percentage is shown in a Schedule, Declarations or Change Endorsement for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations or Change Endorsement unless otherwise shown in a Schedule. Declarations or Change Endorsement. Coverage provided under this endorsement does not provide an additional amount of insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**IDENTITY RECOVERY COVERAGE
IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT**

This endorsement modifies the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT OWNERS COVERAGE FORM

The following is added as an Additional Coverage:

IDENTITY RECOVERY COVERAGE

We will provide the Case Management Service and Expense Reimbursement Coverage Indicated below if all of the following requirements are met.

1. There has been an "identity theft" involving the personal identity of an "identity recovery Insured" under this policy; and
2. Such "identity theft" is first discovered by the "identity recovery insured" during the policy period for which this Identity Recovery coverage is applicable; and
3. Such "identity theft" is reported to us within 60 days after it is first discovered by the "identity recovery Insured."

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

1. **Case Management Service**
Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and
2. **Expense Reimbursement**
Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft."

This coverage is additional insurance.

EXCLUSIONS

The following additional exclusions apply to this coverage.

We do not cover loss or expense arising from any of the following.

1. The theft of a professional or business identity.
2. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery Insured," or by any authorized representative of an "identity recovery insured," whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
3. An "identity theft" that is not reported in writing to the police.

LIMITS

Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement coverage.

Expense Reimbursement coverage is subject to a limit of \$15,000 annual aggregate per "identity recovery Insured." Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during a 12-month period starting with the beginning of the present annual policy period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense

arising from such "identity theft" will be subject to the aggregate limit applicable to the policy period when the "identity theft" was first discovered.

Legal costs as provided under item d. of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement coverage limit.

Item e. (Lost Wages) and Item f. (Child and Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$5,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item g. (Mental Health Counseling) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item h. (Miscellaneous Unnamed Costs) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to costs incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

DEDUCTIBLE

Case Management Service is not subject to a deductible.

Expense Reimbursement coverage is subject to a deductible of \$250. Any one "identity recovery insured" shall be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

CONDITIONS

The following additional Conditions apply to this coverage:

A. Help Line

For assistance, the "identity recovery insured" should call the Identity Recovery Help Line at 1-800-414-9912.

The Identity Recovery Help Line can provide the "identity recovery insured" with:

1. Information and advice for how to respond to a possible "identity theft"; and
2. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

B. Services

The following conditions apply as respects any services provided by us or our designees to any "identity recovery insured" under this endorsement:

1. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."
2. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. **"Identity Recovery Case Manager"** means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. **"Identity Recovery Expenses"** means the following when they are reasonable and necessary expenses that are incurred as a direct result of an "identity theft":
 - a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
 - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
 - c. Costs for credit reports from established credit bureaus.
 - d. Fees and expenses for any attorney approved by us for the following:
 - 1) The defense of any civil suit brought against an "identity recovery insured."
 - 2) The removal of any civil judgment wrongfully entered against an "insured."
 - 3) Legal assistance for an "identity recovery insured" at an audit or hearing by a governmental agency.
 - 4) Legal assistance in challenging the accuracy of the "identity recovery insured's" consumer credit report.
 - 5) The defense of any criminal charges brought against an "identity recovery insured" arising from the actions of a third party using the personal identity of the "identity recovery insured."
 - e. Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.
 - f. Actual costs for supervision of children or elderly or infirm relatives or dependants of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
 - g. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
 - h. Any other reasonable costs necessarily incurred by an "insured" as a direct result of the "identity theft." Such costs include:
 - 1) Costs by the "insured" to recover control over his or her personal identity.
 - 2) Deductibles or service fees from financial institutions.Such costs do not include:
 - 1) Costs to avoid, prevent or detect "identity theft" or other loss.
 - 2) Monies lost or stolen.
 - 3) Costs that are restricted or excluded elsewhere in this endorsement or policy.
3. **"Identity Recovery Insured"** means the following:
 - a) When the entity insured under this policy is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the insured entity.
 - b) When the entity insured under this policy is a partnership, the "identity recovery insureds" are the current partners.

- c) When the entity insured under this policy is a corporation or other organization, the "identity recovery insureds" are all individuals having an ownership position of 20% or more of the insured entity. However, if and only if there is no one who has such an ownership position, then the "identity recovery insured" shall be:

- 1) The chief executive of the insured entity; or
- 2) As respects a religious institution, the senior ministerial employee.

An "identity recovery insured" must always be an individual person. The entity insured under this policy is not an "identity recovery insured."

4. "Identity Theft" means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a/ or any other method of identifying a business activity.

All other provisions of this policy apply.

14-3268 01 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

This endorsement modifies insurance provided under the following:

EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT

A. The following coverages are added:

1. Defense

If a claim or "suit" is brought against you alleging that you are liable for damage to property of another in your care, custody or control that was directly caused by an "accident" to "covered equipment" we will either:

- a. Settle the claim or "suit"; or
- b. Defend you against the claim or "suit" but keep for ourselves the right to settle it at any point.

2. Supplementary Payments

We will pay, with respect to any claim or "suit" we defend:

- a. All expenses we incur;
- b. The cost of bonds to release attachments, but only for bond amounts within the Limit of Insurance. We do not have to furnish these bonds;
- c. All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$100 a day because of time off from work;
- d. All costs taxed against you in any "suit" we defend;
- e. Pre-judgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer; and
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance shown in the Declarations.

These payments will not reduce the Limit of Insurance.

B. As respects Equipment Breakdown Coverage only, the following are added:

1. Legal Action Against Us:

No one may bring a legal action against us under this coverage section unless:

- a. There has been full compliance with all the terms of this coverage section;
- b. The action is brought within two years after the date of the "accident"; and
- c. We agree in writing that you have an obligation to pay for damage to Covered Property of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this policy to bring us into an action to determine your liability.

2. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve us of an obligation under this coverage section.

C. With respect to Equipment Breakdown Coverage only, the following Definition is added:

"Suit" means a civil proceeding and includes:

1. An arbitration proceeding in which damages are claimed and to which you must submit or do submit with our consent; or
2. Any other alternative dispute resolution proceeding in which damages are claimed and to which you submit with our consent.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DATA COMPROMISE COVERAGE – TEXAS
RESPONSE EXPENSES AND DEFENSE AND LIABILITY**

This endorsement modifies the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT OWNERS COVERAGE FORM

Coverage under this endorsement is subject to the following:

SECTION 1 - RESPONSE EXPENSES

Data Compromise

Response Expenses Limit: \$50,000
Annual Aggregate

Legal and Forensic Information

Technology Review Sublimit: \$ 5,000
Any one "Personal Data Compromise"

Response Expenses Deductible: \$ 1,000
Any one "Personal Data Compromise"

SECTION 2 - DEFENSE AND LIABILITY

Data Compromise

Defense and Liability Limit: \$50,000
Annual Aggregate

Defense and Liability Deductible: \$ 1,000
Each "Data Compromise Suit"

The following is added as an Additional Coverage:

SECTION 1 - RESPONSE EXPENSES

DATA COMPROMISE COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all of the following conditions are met:

1. There has been a "personal data compromise"; and
2. Such "personal data compromise" is first discovered by you during the policy period for which this Data Compromise Coverage endorsement is applicable; and
3. Such "personal data compromise" is reported to us within 90 days after the date it is first discovered by you.

COVERAGE - SECTION 1

If the three conditions listed above in DATA COMPROMISE - COVERED CAUSE OF LOSS have been met, then we will provide coverage for the following expenses directly arising from the covered cause of loss.

Please note that service providers must be approved by us as described in Additional Condition G. - Service Providers.

1. Legal and Forensic Information Technology Review

We will pay your necessary and reasonable costs for the following outside professional services.

a. Legal Services

Professional legal counsel review of the "personal data compromise" and how you should best respond to it.

b. Forensic Information Technology Services

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals."

2. Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the "personal data compromise" to "affected individuals."

3. Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to "affected individuals."

a. Informational Materials

A packet of loss prevention and customer support information.

b. Help Line

A toll-free telephone line for "affected individuals" with questions about the "personal data compromise" or wanting to request additional services as listed in c. and d.

c. Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the "affected individual" enrolling for this service with the designated service provider.

d. Identity Restoration Case Management

As respects any "affected individual" who is or appears to be a victim of "identity theft" that may reasonably have arisen from the "personal data compromise," the services of an identity restoration professional who will assist that "affected individual" through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

LIMITS - SECTION 1

The most we will pay under Response Expenses coverage is the Data Compromise Response Expenses Limit indicated for this endorsement.

The most we will pay under Legal and Forensic Information Technology Review coverage for loss arising from any one "personal data compromise" is the Legal and Forensic Information Technology Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Data Compromise Response Expenses Limit.

The Data Compromise Response Expenses Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 1 arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "personal data compromise" events occurring during that period.

A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" will be subject to the Data Compromise Response Expenses Limit applicable to the policy period when the "personal data compromise" was first discovered by you.

Coverage for Services to "affected individuals" is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals." Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

DEDUCTIBLE - SECTION 1

Response Expenses coverage is subject to the Response Expenses Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each "personal data compromise" covered under this endorsement.

The following is added as an Additional Coverage:

SECTION 2 - DEFENSE AND LIABILITY

DEFENSE AND LIABILITY COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all three of the conditions in DATA COMPROMISE - COVERED CAUSE OF LOSS are met.

Only with regard to Section 2 - Defense and Liability coverage, the following conditions must also be met:

1. You have provided notifications and services to "affected individuals" in consultation with us pursuant to Response Expenses coverage; and
2. You receive notice of a "data compromise suit" brought by one or more "affected individuals"; and
3. Notice of such "data compromise suit" is received by you within two years of the date that the "affected individuals" are notified of the "personal data compromise"; and
4. Such "data compromise suit" is reported to us within 90 days after the date it is first received by you.

COVERAGE - SECTION 2

If all four of the conditions listed above in DEFENSE AND LIABILITY - COVERED CAUSE OF LOSS have been met, then we will provide coverage for "data compromise defense costs" and "data compromise liability" directly arising from the covered cause of loss.

Please note that defense counsel must be approved by us as described in Additional Condition B. - Defense Counsel.

LIMITS - SECTION 2

The most we will pay under Defense and Liability coverage is the Data Compromise Defense and Liability Limit indicated for this endorsement.

The Data Compromise Defense and Liability Limit is an annual aggregate limit. This amount is the most we will pay for all loss covered under Section 2 arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "personal data compromise" events occurring during that period.

A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" will be subject to the Data Compromise Defense and Liability Limit applicable to the policy period when the "personal data compromise" was first discovered by you.

DEDUCTIBLE - SECTION 2

Defense and Liability coverage is subject to the Defense and Liability Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each "data compromise suit" covered under this endorsement.

EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO BOTH SECTION 1 AND SECTION 2

EXCLUSIONS

The following additional exclusions apply to this coverage:

We will not pay for costs arising from the following:

1. Your intentional or willful complicity in a "personal data compromise."
2. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
3. Any "personal data compromise" occurring prior to the first inception of this Data Compromise Coverage endorsement.
4. Except as specifically provided under coverage 1.b. Forensic Information Technology Review Services, costs to research any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "personal data compromise."
5. Costs to correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "personal data compromise."
6. Any fines or penalties. This includes, but is not limited to, fees or surcharges from affected financial institutions.

7. Any criminal investigations or proceedings.
8. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
9. Any virus or other malicious code that is or becomes named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of malicious code activity.
10. Your reckless disregard for the security of "personally identifying information" in your care, custody or control.
11. That part of any "data compromise suit" seeking any non-monetary relief.

ADDITIONAL CONDITIONS

The following Additional Conditions apply to all coverages under this endorsement.

A. Data Compromise Liability Defense

1. We shall have the right, but not the duty, to assume the defense of any applicable "data compromise suit" against you. You shall give us such information and cooperation as we may reasonably require. In the event we do not assume your defense, we shall, nevertheless, have the right to effectively associate with you in the defense and settlement of any "data compromise suit" that appears reasonably likely to involve us, including, but not limited to, the right to effectively associate in the negotiation of a settlement.
2. You shall not admit liability for or settle any "data compromise suit" or incur any defense costs without our prior written consent. However, if you are able to dispose of all "data compromise suits" which are subject to one deductible amount for an amount not exceeding the deductible amount (inclusive of defense costs), then our consent shall not be required for such claims and suits.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense (if we have assumed your defense) by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such "data compromise suit" independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any "data compromise suit" if we have assumed your defense, after the Data Compromise Defense and Liability Limit has been exhausted.

B. Defense Counsel

We will only pay for "data compromise defense costs" for services provided by legal counsel approved by us. You must obtain our prior approval for any firm, service or legal counsel whose expenses you want covered as "data compromise defense costs." We will not unreasonably withhold such approval.

C. Duties in the Event of a "Data Compromise Suit"

1. If a "data compromise suit" is brought against you, you must:
 - a. Immediately record the specifics of the "data compromise suit" and the date received; and
 - b. Provide us with written notice, as soon as practicable, but in no event more than 90 days after the date the "data compromise suit" is first received by you.
2. You must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "data compromise suit";
 - b. Authorize us to obtain records and other information;
 - c. Cooperate with us in the investigation, settlement or defense of the "data compromise suit";
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
 - e. Take no action, or fail to take any required action, that prejudices your rights or our rights with respect to such "data compromise suit."
3. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
4. If you become aware of a claim or complaint that may become a "data compromise suit," you shall promptly inform us of such claim or complaint.

D. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
2. Providing and maintaining appropriate computer and Internet security;
3. Maintaining and updating at appropriate intervals backups of computer data;
4. Protecting transactions, such as processing credit card, debit card and check payments; and
5. Appropriate disposal of files containing "personally identifying information," including shredding hard copy files and destroying physical media used to store electronic data.

E. Legal Advice

We are not your legal advisor. Our determination of what is or is not covered under this Data Compromise Coverage endorsement does not represent advice or counsel from us about what you should or should not do.

F. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to "affected individuals." We assume no responsibility under this Data Compromise Coverage for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Condition G. Service Providers. You must provide the following at our pre-notification consultation with you:

1. The exact list of "affected individuals" to be notified, including contact information.
2. Information about the "personal data compromise" that may appropriately be communicated with "affected individuals."
3. The scope of services that you desire for the "affected individuals." For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Data Compromise Limit.

G. Service Providers

1. We will only pay under this Data Compromise Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Compromise Coverage. We will not unreasonably withhold such approval.
2. Prior to the Pre-Notification Consultation described in Additional Condition F. above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - a. Such alternate service provider must be approved by us;
 - b. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
 - c. Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

H. Services

The following conditions apply as respects any services provided to you or any "affected individual" by us, our designees or any service firm paid for in whole or in part under this Data Compromise coverage:

1. The effectiveness of such services depends on your cooperation and assistance.
2. All services may not be available or applicable to all individuals. For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
4. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. "Affected Individual" means any person who is your current, former or prospective customer, client, member, owner, director or employee and whose "personally identifying information" is lost, stolen, accidentally

released or accidentally published by a "personal data compromise" covered under this endorsement. This definition is subject to the following provisions:

- a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual."
 - b. An "affected individual" must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:
 - 1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected individuals." However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
 - 2) If you store, process, transmit or transport records, the individuals whose "personally identifying information" you are storing, processing, transmitting or transporting for another entity do not qualify as "affected individuals." However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
 - 3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as "affected individuals." However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of the operation insured under this policy.
 - c. An "affected individual" may reside anywhere in the world. However, the coverage and services provided under this endorsement are only applicable and available within the United States of America, Puerto Rico and Canada.
2. "Data Compromise Defense Costs" means expenses resulting solely from the investigation, defense and appeal of any "data compromise suit" against you. Such expenses must be reasonable and necessary. They may be incurred by us or by you with our written consent. They do not include your salaries or your loss of earnings. They do include premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond.
3. "Data Compromise Liability"
- a. "Data compromise liability" means the following, when they arise from a "data compromise suit":
 - 1) Damages, judgments or settlements to "affected individuals";
 - 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
 - 3) Pre-judgment interest and post-judgment interest on that part of any judgment paid by us.
 - b. "Data compromise liability" does not mean:
 - 1) Damages, judgments or settlements to anyone who is not an "affected individual";
 - 2) Civil or criminal fines or penalties imposed by law;
 - 3) Punitive or exemplary damages;
 - 4) The multiplied portion of multiplied damages;
 - 5) Taxes; or
 - 6) Matters which may be deemed uninsurable under the applicable law.
4. "Data Compromise Suit"
- a. "Data Compromise Suit" means a civil proceeding in which damages to one or more "affected individuals" arising from a "personal data compromise" are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. "Data compromise suit" includes:
 - 1) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
 - 2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent; or
 - 3) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.
 - b. "Data compromise suit" does not mean any demand or action brought by or on behalf of someone who is:
 - 1) Your director or officer;
 - 2) Your owner or part-owner; or
 - 3) A holder of your securities;

in their capacity as such, whether directly, derivatively, or by class action. "Data compromise suit" will include proceedings brought by such individuals in their capacity as "affected individuals," but only to the extent that the damages claimed are the same as would apply to any other "affected individual."

- c. "Data compromise suit" does not mean any demand or action brought by or on behalf of an organization, business, institution, governmental entity or any other party that is not an "affected individual."
5. "Identity Theft" means the fraudulent use of "personally identifying information." This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes. "Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
6. "Personal Data Compromise" means the loss, theft, accidental release or accidental publication of "personally identifying information" as respects one or more "affected individuals," if such loss, theft, accidental release or accidental publication has or could reasonably result in the fraudulent use of such information. This definition is subject to the following provisions:
 - a. At the time of the loss, theft, accidental release or accidental publication, the "personally identifying information" must be in your direct care, custody or control.
 - b. "Personal data compromise" does not include the loss, theft, release or publication of information that is in the care, custody or control of a third party to whom you have directly or indirectly turned over such information for any reason. This includes, but is not limited to, storage, processing, transmission or transportation of such information.
 - c. "Personal data compromise" includes disposal or abandonment of "personally identifying information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
 - 1) Your failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
 - 2) Such disposal or abandonment must take place during the time period for which this Data Compromise Coverage endorsement is effective.
 - d. "Personal data compromise" includes situations where there is a reasonable cause to suspect that such "personally identifying information" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
 - e. All incidents of "personal data compromise" that are discovered at the same time or arise from the same cause will be considered one "personal data compromise."
7. "Personally Identifying Information" means information that could be used to commit fraud or other illegal activity involving the credit or identity of an "affected individual." This includes, but is not limited to, Social Security numbers or account numbers correlated with names and addresses.

"Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses with no correlated Social Security numbers or account numbers.

All other provisions of this policy apply.

**CYBERONE COVERAGE
COMPUTER ATTACK AND NETWORK SECURITY LIABILITY
TEXAS**

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Network Security Liability Optional Coverage
3rd Party Business Information _____

The following is added as an Additional Coverage:

SECTION 1 – COMPUTER ATTACK

SECTION 1 – COVERED CAUSE OF LOSS

This Computer Attack coverage applies only if all of the following conditions are met:

1. There has been a "computer attack"; and
2. Such "computer attack" is first discovered by you during the policy period for which this endorsement is applicable; and
3. Such "computer attack" is reported to us as soon as practicable, but in no event more than 90 days after the date it is first discovered by you.

SECTION 1 – COVERAGES PROVIDED

If all three of the conditions listed above in SECTION 1 – COVERED CAUSE OF LOSS have been met, then we will provide you the following coverages for loss directly arising from such "computer attack".

1. Data Restoration

We will pay your necessary and reasonable "data restoration costs".

2. Data Re-creation

We will pay your necessary and reasonable "data re-creation costs".

3. System Restoration

We will pay your necessary and reasonable "system restoration costs".

4. Loss of Business

We will pay your actual "business income loss" and your necessary and reasonable "extra expenses".

5. Public Relations

If you suffer covered "business income loss", we will pay for the services of a professional public relations firm to assist you in communicating your response to the "computer attack" to the media, the public and your customers, clients or members.

SECTION 1 – LIMITS

The most we will pay under Computer Attack coverage is the Computer Attack Limit indicated for this endorsement.

The most we will pay under Data Re-creation coverage for loss (including "business income loss" and "extra expense" related to data re-creation activities) arising from any one "computer attack" is the Data Re-creation Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Computer Attack Limit. If no sublimit is shown or is shown as Excluded on the SCHEDULE at the top of this endorsement, Declarations or Change Endorsement, then the Data Re-creation coverage will be considered to have a sublimit of \$0.

The most we will pay under Loss of Business coverage for loss arising from any one "computer attack" is the Loss of Business Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Computer Attack Limit. If no sublimit is shown or is shown as Excluded on the SCHEDULE at the top of this endorsement, Declarations or Change Endorsement, then the Loss of Business coverage will be considered to have a sublimit of \$0.

The most we will pay under Public Relations coverage for loss arising from any one "computer attack" is the Public Relations Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Computer Attack Limit. If no sublimit is shown or is shown as Excluded on the SCHEDULE at the top of this endorsement, Declarations or Change Endorsement, then the Public Relations coverage will be considered to have a sublimit of \$0.

The Computer Attack Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 1 arising out of all "computer attack" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "computer attack" events occurring during that period.

A "computer attack" may be first discovered by you in one policy period but it may cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "computer attack" will be subject to the Computer Attack Limit applicable to the policy period when the "computer attack" was first discovered by you.

SECTION 1 – DEDUCTIBLE

The Computer Attack coverage is subject to the Computer Attack Deductible indicated in the SCHEDULE for this endorsement, Declarations or Change Endorsement. You shall be responsible for the applicable deductible amount as respects loss arising from each "computer attack" covered under this endorsement.

SECTION 2 – NETWORK SECURITY LIABILITY

SECTION 2 – COVERED CAUSE OF LOSS

This Network Security Liability coverage applies only if all of the following conditions are met:

1. You first receive notice of a "network security liability suit" during the policy period for which this endorsement is applicable or any Extended Reporting Periods; and
2. Such "network security liability suit" is reported to us as soon as practicable, but in no event more than 90 days after the date it is first received by you.

SECTION 2 – COVERAGES PROVIDED

If both of the conditions listed above in SECTION 2 – COVERED CAUSE OF LOSS have been met, then we will provide you the following coverages for loss directly arising from such "network security liability suit".

1. Defense

We will pay your necessary and reasonable "network security liability defense costs".

2. Settlement Costs

We will pay your necessary and reasonable "network security liability settlement costs".

SECTION 2 - LIMITS

Except for post-judgment interest, the most we will pay under Network Security Liability coverage is the Network Security Liability Limit indicated for this endorsement.

The Network Security Liability Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 2 (other than post-judgment interest) arising out of all "network security liability suits" of which you first receive notice during the present annual policy period or any Extended Reporting Periods. This limit applies regardless of the number of "network security liability suits" of which you first receive notice during that period.

You may first receive notice of a "network security liability suit" in one policy period but it may cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "network security liability suit" (other than post-judgment interest) will be subject to the Network Security Liability Limit applicable to the policy period when notice of the "network security liability suit" was first received by you.

The Network Security Liability Limit for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to, the Network Security Liability Limit for the immediately preceding policy period.

SECTION 2 - DEDUCTIBLE

The Network Security Liability coverage is subject to the Network Security Liability Deductible indicated in the

SCHEDULE for this endorsement, Declarations or Change Endorsement. You shall be responsible for the applicable deductible amount as respects loss arising from each "network security liability suit" covered under this endorsement.

EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO ALL SECTIONS

EXCLUSIONS

The following additional exclusions apply to this coverage:

We will not pay for costs or loss arising from the following:

1. Loss to the Internet, an Internet service provider, or any computer or computer system that is not owned or leased by you and operated under your control.
2. Costs to research or correct any deficiency.
3. Any fines or penalties.
4. Any criminal investigations or proceedings.
5. Any threat, extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
6. Your intentional or willful complicity in a covered loss event or your reckless disregard for the security of your computer system or data.
7. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
8. Any "computer attack" occurring prior to the first inception of this CyberOne coverage endorsement or any coverage substantially similar to that described in this endorsement.
9. That part of any "network security liability suit" seeking any non-monetary relief.
10. Any "network security liability suit" arising from a loss, release or disclosure of business data, propagation of malware or denial of service attack that occurred prior to the first inception of this CyberOne coverage endorsement or any coverage substantially similar to that described in this endorsement.
11. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by you for sale, lease or license to third parties.

ADDITIONAL CONDITIONS

The following additional conditions apply to all coverages under this endorsement.

A. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate computer and Internet security; and
2. Maintaining and updating at appropriate intervals backups of computer data.

B. Duties in the Event of a "Network Security Liability Suit"

1. If a "network security liability suit" is brought against you, you must:
 - a. Immediately record the specifics of the "network security liability suit" and the date received; and
 - b. Provide us with written notice, as soon as practicable, but in no event more than 90 days after the date the "network security liability suit" is first received by you.
 - c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "network security liability suit";
 - d. Authorize us to obtain records and other information;

- e. Cooperate with us in the investigation, settlement or defense of the "network security liability suit";
- f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
- g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such "network security liability suit".

C. Extended Reporting Periods

1. You shall have the right to the Extended Reporting Periods described in this section, in the event that:
 - a. You or we cancel this CyberOne coverage;
 - b. You or we refuse to renew this CyberOne coverage; or
 - c. We renew this CyberOne coverage on an other than a claims-made basis or with a retroactive date later than the date of the first inception of this CyberOne coverage endorsement or any coverage substantially similar to that described in this endorsement;
2. If an event as specified in Paragraph 1. has occurred, you shall have the right to the following:
 - a. An Automatic Extended Reporting Period of 30 days after the effective date of cancellation or nonrenewal at no additional premium in which to give to us written notice of a "network liability suit" of which you first receive notice during said Automatic Extended Reporting Period for any propagation of malware, denial of service attack, or if applicable, loss, release or disclosure of business data occurring before the end of the coverage period for this CyberOne coverage and which is otherwise covered by this CyberOne coverage; and
 - b. Upon payment of an additional premium of 100% of the full annual premium applicable to this CyberOne coverage, a Supplemental Extended Reporting Period of 1 year immediately following the effective date of cancellation or nonrenewal in which to give to us written notice of a "network liability suit" of which you first receive notice during said Supplemental Extended Reporting Period for any loss, release or disclosure of business data, propagation of malware or denial of service attack occurring before the end of the coverage period for this CyberOne coverage and which is otherwise covered by this CyberOne coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within 30 days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

D. Network Security Liability Defense

1. We shall have the right and the duty to assume the defense of any applicable "network security liability suit" against you. You shall give us such information and cooperation as we may reasonably require.
2. You shall not admit liability for or settle any "network security liability suit" or incur any defense costs without our prior written consent.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such "network security liability suit" independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any "network security liability suit", after the Network Security Liability Limit has been exhausted.
5. We shall pay all interest on that amount of any judgment within the Network Security Liability Limit which accrues:
 - a. After entry of judgment; and

- b. Before we pay, offer to pay or deposit in court that part of the judgment within the Network Security Liability Limit or, in any case, before we pay or offer to pay the entire Network Security Liability Limit.

These interest payments shall be in addition to and not part of the Network Security Liability Limit.

E. Other Data Coverage in This Policy

Some elements of this CyberOne coverage may also be covered under the policy to which this endorsement is attached. If so, this CyberOne coverage will apply as excess, additional coverage. If loss payment has been made under the policy for the same event, the amount of such payment will count towards the deductible that applies to this CyberOne coverage.

F. Services

The following conditions apply as respects any services provided to you by any service firm provided or paid for in whole or in part under this endorsement:

1. The effectiveness of such services depends on your cooperation and assistance.
2. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.

G. Prompt Payment of Claims

1. Receipt of Notice of Claim.

- a. Not later than the 15th day after the date we receive notice of a claim, we will:
 - 1) acknowledge receipt of the claim;
 - 2) commence any investigation of the claim; and
- b. request from you all items, statements, and forms that we reasonably believe, at that time, will be required from you.
- c. We may make additional requests for information if during the investigation of the claim the additional requests are necessary.
- d. If the acknowledgment of receipt of a claim is not made in writing, we will make a record of the date, manner, and content of the acknowledgment.

2. Notice of Acceptance or Rejection of Claim.

- a. Except as provided by Subsection 4, we will notify you in writing of the acceptance or rejection of a claim not later than the 15th business day after the date we receive all items, statements, and forms required by us to secure final proof of loss.
- b. If we reject the claim, the notice required by Subsection a. must state the reasons for the rejection.
- c. If we are unable to accept or reject the claim within the period specified by Subsection a., we, within that same period, will notify you of the reasons that we need additional time. We will accept or reject the claim not later than the 45th day after the date we notify you under this subsection.

3. Payment of Claim.

- a. Except as otherwise provided by this section, if we notify you under Subsection b that we will pay a claim or part of a claim, we will pay the claim not later than the fifth business day after the date notice is made.
- b. If payment of the claim or part of the claim is conditioned on the performance of an act by you, we will pay the claim not later than the fifth business day after the date the act is performed.

4. Delay in Payment of Claim.

- a. Except as otherwise provided, if we after receiving all items, statements, and forms reasonably requested and required under Subsection a, delay payment of the claim for a period exceeding the period specified by applicable statutes or, if other statutes do not specify a period, for more than 60 days, we will pay damages and other items as provided by Texas Insurance Code Section 542.060.
- b. Subsection a. does not apply in a case in which it is found as a result of arbitration or litigation that a claim received by us is invalid and should not be paid by us.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. "Business Income Loss" means the sum of the:
 - a. Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal and necessary operating expenses incurred, including employee payroll, actually lost by you during the "period of restoration".
2. "Computer Attack" means one of the following involving a computer or other electronic hardware that is owned or leased by you and operated under your control:
 - a. Unauthorized Access - meaning the gaining of access to your computer system by an unauthorized person or persons; or
 - b. Malware Attack - meaning damage to your computer system or data arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers. This does not mean damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your computer system during the manufacturing process.
 - c. Denial of Service Attack - meaning a deliberate act to prevent third parties from gaining access to your computer system through the internet in a manner in which they are legally entitled.
3. "Data Re-creation Costs"
 - a. "Data re-creation costs" means the costs of an outside professional firm hired by you to research, re-create and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.
 - b. "Data re-creation costs" also means your actual "business income loss" and your necessary and reasonable "extra expenses" arising from the lack of the lost or corrupted data during the time required to research, re-create and replace such data.
 - c. "Data re-creation costs" does not mean costs to research, re-create or replace:
 - 1) Software programs or operating systems that are not commercially available; or
 - 2) Data that is obsolete, unnecessary or useless to you.
4. "Data Restoration Costs"
 - a. "Data restoration costs" means the costs of an outside professional firm hired by you to replace electronic data that has been lost or corrupted. In order to be considered "data restoration costs," such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.
 - b. "Data restoration costs" does not mean costs to research, restore or replace:
 - 1) Software programs or operating systems that are not commercially available; or
 - 2) Data that is obsolete, unnecessary or useless to you.
5. "Extra Expense" means the additional cost you incur to operate your business during the "period of restoration" over and above the cost that you normally would have incurred to operate your business during the same period had no "computer attack" occurred.
6. "Network Security Liability Defense Costs"
 - a. "Network security liability defense costs" means reasonable and necessary expenses resulting solely from the investigation, defense and appeal of any "network security liability suit" against you. Such expenses may be incurred by us. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However, we have no obligation to apply for or furnish such bond.
 - b. "Network security liability defense costs" does not mean your salaries or your loss of earnings.
7. "Network Security Liability Settlement Costs"
 - a. "Network security liability settlement costs" means the following, when they arise from a "network security liability suit":
 - 1) Reasonable and necessary expenses incurred by you for the investigation, defense and appeal of any "network security liability suit" against you.
 - 2) Reasonable and necessary expenses incurred by us for the investigation, defense and appeal of any "network security liability suit" against you.

- 1) Damages, judgments or settlements; and
 - 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
 - 3) Pre-judgment interest on that part of any judgment paid by us.
- b. "Network security liability settlement costs" does not mean:
- 1) Civil or criminal fines or penalties imposed by law;
 - 2) Punitive or exemplary damages;
 - 3) The multiplied portion of multiplied damages;
 - 4) Taxes; or
 - 5) Matters which may be deemed uninsurable under the applicable law.
8. "Network Security Liability Suit"
- a. "Network security liability suit" means a civil proceeding against you in which damages are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. Such proceeding must be based on an allegation that a negligent security failure or weakness with respect to a computer or other electronic hardware that is owned or leased by you and operated under your control allowed one or more of the following to happen:
- 1) The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code.
 - 2) The unintended abetting of a denial of service attack against one or more other systems.
- b. If the 3rd Party Business Information line under Network Security Liability Optional Coverage on the SCHEDULE at the top of this endorsement, Declarations or Change Endorsement, is marked as Included, then "Network security liability suit" also means a civil proceeding against you in which damages are alleged which is brought in the United States of America, Puerto Rico or Canada and which is based on an allegation that a negligent security failure or weakness with respect to a computer or other electronic hardware that is owned or leased by you and operated under your control allowed the loss, release or disclosure of business data that is owned by or proprietary to a third party. This does not include personally identifying information or other information that is sensitive or personal to individuals. If the 3rd Party Business Information line under Network Security Liability Optional Coverage on the SCHEDULE at the top of this endorsement, Declarations or Change Endorsement is marked as Excluded or is blank, then "Network security liability suit" does not include such suits.
- c. "Network security liability suit" includes the following:
- 1) An arbitration or alternative dispute resolution proceeding that you are required to submit to or which we agree you should submit to; or
 - 2) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.
- d. "Network security liability suit" does not mean any demand or action alleging or arising from property damage or bodily injury.
- e. "Network security liability suit" does not mean any demand or action brought by or on behalf of someone who is:
- 1) Your director or officer;
 - 2) Your owner or part-owner; or
 - 3) A holder of your securities;
- In their capacity as such, whether directly, derivatively, or by class action.
9. "Period of Restoration" means the period of time that begins at the time that the "computer attack" is discovered by you and continues until the earlier of:
- a. The date that all data restoration, data re-creation and system restoration directly related to the "computer attack" has been completed; or

- b. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch.

10. "System Restoration Costs"

- a. "System restoration costs" means the costs of an outside professional firm hired by you to do any of the following in order to restore your computer system to its pre- "computer attack" level of functionality:

- 1) Replace or reinstall computer software programs;
- 2) Remove any malicious code; and
- 3) Configure or correct the configuration of your computer system.

- b. "System restoration costs" does not mean:

- 1) Costs to increase the speed, capacity or utility of your computer system;
- 2) Labor of your employees;
- 3) Any costs in excess of the actual cash value of your computer system; or
- 4) Costs to repair or replace hardware.

All other provisions of this policy apply.

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**QUICK REFERENCE
COMMERCIAL INLAND MARINE COVERAGE PART**

READ YOUR POLICY CAREFULLY

The Commercial Inland Marine Coverage Part in your policy consists of Declarations, one or more Coverage Forms, Commercial Inland Marine Conditions, Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference Indexing of the principal provisions contained in each of the components making up this Coverage Part.

DECLARATIONS

Named Insured and Mailing Address
Policy Period
Description of Business
Limits of Insurance
Forms and Endorsements applying to the Coverage Part at time of issue

COVERAGE FORM(S)

COVERAGE

Covered Property (If Applicable)
Property Not Covered
Covered Causes of Loss
Additional Coverage - Collapse (If Applicable)
Coverage Extensions (If Applicable)

EXCLUSIONS

Earthquake (If Applicable)
Governmental Action
Nuclear Hazard (If Applicable)
War and Military Action
Water (If Applicable)
Other Exclusions (If Applicable)

LIMITS OF INSURANCE

DEDUCTIBLE (If Applicable)

ADDITIONAL CONDITIONS

DEFINITION(S)

COMMERCIAL INLAND MARINE CONDITIONS

LOSS CONDITIONS

Abandonment
Appraisal
Duties in the Event of Loss
Insurance Under Two or More Coverages
Loss Payment
Other Insurance
Pair, Set or Parts
Privilege to Adjust With Owner
Recoveries
Reinstatement of Limit After Loss
Transfer of Rights of Recovery Against Others to Us

GENERAL CONDITIONS

Concealment, Misrepresentation or Fraud
Legal Action Against Us
No Benefit to Bailee
Policy Period
Valuation

**COMMON POLICY CONDITIONS (IL0017) - See Common
Declarations**

Cancellation
Changes
Examination of Your Books and Records
Inspections and Surveys
Premiums
Transfer of Your Rights and Duties Under This Policy

ENDORSEMENTS (If Any)

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COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

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1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this Insurance; or
 - b. A business firm:

- 1) Owned or controlled by you; or
- 2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other Insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations or Change Endorsement; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

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COMMON POLICY CONDITIONS

1. **Assignment** – This policy may not be assigned without “our” written consent.
2. **Cancellation** – “You” may cancel this policy by returning the policy to “us” or by giving “us” written notice and stating at what future date coverage is to stop.

“We” may cancel this policy, or one or more of its parts, by written notice sent to “you” at “your” last mailing address known to “us.” If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If “we” cancel this policy for nonpayment of premium, “we” will give “you” notice at least ten days before the cancellation is effective. If “we” cancel this policy for any other reason, “we” will give “you” notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

“Your” return premium, if any, will be calculated according to “our” rules. It will be refunded to “you” with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. **Change, Modification, or Waiver of Policy Terms** – A waiver or change of the “terms” of this policy must be issued by “us” in writing to be valid.
4. **Inspections** – “We” have the right, but are not obligated, to inspect “your” property and operations at any time. This inspection may be made by “us” or may be made on “our” behalf. An inspection or its resulting advice or report does not warrant that “your” property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for “our” benefit only.
5. **Examination of Books and Records** – “We” may examine and audit “your” books and records that relate to this policy during the policy period and within three years after the policy has expired.

CL0273 01 01

This endorsement changes the policy
- PLEASE READ THIS CAREFULLY -

AMENDATORY ENDORSEMENT TEXAS

Under the Common Policy Conditions, Cancellation is deleted and replaced by the following:

Cancellation and Nonrenewal – "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating the date coverage is to stop.

"We" may cancel or not renew this policy by written notice mailed or delivered to "you" at the address shown in the policy. If notice of cancellation or nonrenewal is mailed, proof of mailing will be sufficient proof of notice. The notice will state the reason for cancellation or nonrenewal.

If "we" cancel this policy, "we" will give "you" notice at least ten days before the cancellation is effective. The notice will state the time that the cancellation is to take effect.

If this policy has been in effect for 60 days or less, "we" may cancel for any reason, except that under the provisions of the Texas Insurance Code, "we" may not cancel this policy solely because "you" are an elected official.

If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by "us," "we" may cancel only for one or more of the following reasons:

- a. "you" do not pay the premium when due;
- b. "you" committed fraud in obtaining the coverage;
- c. there is an increase in hazard covered by this policy that is within "your" control which would produce an increase in the premium or rate;
- d. there is a loss of "our" reinsurance covering all or part of the risk covered by this policy; or
- e. "we" are placed in supervision, conservatorship, or receivership and the cancellation or nonrenewal is approved or directed by the supervisor, conservator, or receiver.

"Your" return premium, if any, will be calculated on a pro rata basis. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

If "we" decide to not renew this policy, "we" will give "you" notice at least 60 days before the expiration date. If the notice is delivered or mailed later than 60 days before the expiration date, the coverage will remain in effect until the 61st day after the date on which the notice is delivered or mailed. Earned premium for any period of coverage that extends beyond the expiration date of this policy will be computed pro rata based on the rate charged for the expired policy.

The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

"We" may not cancel or refuse to renew this policy solely because "you" are an elected official.

IL0952 03 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

7-1261 02 11

This Inland Marine coverage is subject to the terms shown below. The Commercial Inland Marine Conditions also apply.

– PLEASE READ THIS CAREFULLY –

COMPUTER COVERAGE

SCHEDULE *

Coverage Amount

Hardware – For “hardware” on the described premises at:

\$ _____

Coverage amounts shown for each location include property in transit but do not include off-site computers except as provided within the supplemental coverages section of this form.

Programs & Applications – The coverage amount for “programs & applications” shall not exceed 25% of the coverage amount under Hardware at each location, except as may be provided by the Computer Coverage Amounts Endorsement. This is in addition to the coverage amount for Hardware.

Media – The coverage amount for “media” shall not exceed 25% of the coverage amount under Hardware at each location, except as may be provided by the Computer Coverage Amounts Endorsement. This is in addition to the coverage amount for Hardware.

Income Coverage (Earnings & Extra Expense) – The Coverage amount is \$10,000, except as provided by the Computer Coverage Amounts Endorsement.

DEDUCTIBLE

The following deductible amount will apply to each loss other than mechanical breakdown, after all other adjustments have been made.

\$ _____

Mechanical Breakdown

\$2,500

COINSURANCE

The coinsurance provision is not applicable.

* (If no entry appears above, information required to complete this endorsement will be shown in the Declarations or Change Endorsement as applicable to this endorsement.)

AGREEMENT

In return for “your” payment of the required premium, “we” provide the coverage described herein subject to all the “terms” of the Computer Coverage. This coverage is also subject to the “schedule of coverages” or Change Endorsement and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the “schedule of coverages” or Change Endorsement.

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

DEFINITIONS

1. The words “you” and “your” mean the persons or organizations named as the Insured on the “schedule of coverages” or Change Endorsement.
2. The words “we,” “us,” and “our” mean the company providing this coverage.

3. "Business" means the usual business operations occurring at a premises described on the "schedule of coverages" or Change Endorsement.
4. "Computer hacking" means an unauthorized intrusion:
 - a. by an individual or group of individuals, whether employed by "you" or not, into "hardware," "software," or a computer network; and
 - b. that results in but is not limited to:
 - 1) deletion, destruction, generation, or modification of "software";
 - 2) alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
 - 3) observation, scanning, or copying of "data records," "programs and applications," and "proprietary programs";
 - 4) damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
 - 5) denial of access to or denial of services from "your" "hardware" or "your" computer network.
5. "Computer virus" means the introduction of any malicious, self-replicating electronic data processing code or other code:
 - a. into "hardware" or "software"; and
 - b. that is intended to result in, but is not limited to:
 - 1) deletion, destruction, generation, or modification of "software";
 - 2) alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
 - 3) damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
 - 4) denial of access to or denial of services from "your" "hardware" or "your" computer network.
6. "Data records" means files, documents, and information in an electronic format and that are stored on "media."
7. "Electrical disturbance" means electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings.
8. "Flood" means flood, surface water, waves, tidal water, or the overflow of a body of water, all whether driven by wind or not. This includes spray that results from these whether driven by wind or not.
9. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results.
 - a. **Hardware Includes** – "Hardware" includes but is not limited to:
 - 1) mainframe and mid-range computers and network servers;
 - 2) personal computers and workstations;
 - 3) laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
 - 4) peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.
 - b. **Hardware Does Not Include** – "Hardware" does not include:
 - 1) "software"; and
 - 2) "off-site server" and "on-site server."
10. "Limit" means the amount of coverage that applies.
11. "Mechanical breakdown" means the malfunction or failure of moving or electronic parts, component failure, faulty installation, or blowout.

12. "Media" means processing, recording, or storage media used with "hardware." This includes but is not limited to films, tapes, cards, discs, drums, cartridges, or cells.
13. "Off-site server" means a server for "your" Web site:
- that is not at a premises described on the "schedule of coverages" or Change Endorsement; and
 - that is being maintained and/or operated by an independent contractor acting as "your" Web host or "your" Internet service provider that is acting as "your" Web host.
14. "On-site server" means a server for "your" Web site:
- that is at a premises occupied by "you" and described on the "schedule of coverages" or Change Endorsement; and
 - that is being maintained and/or operated by "you" or an independent contractor acting as "your" Web site consultant.
15. "Pollutant" means:
- any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including but not limited to acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
 - electrical or magnetic emissions, whether visible or invisible, and sound emissions.
16. "Power supply disturbance" means interruption of power supply, power surge, blackout, or brownout.
17. "Programs and applications" means operating programs and applications that "you" purchase and that are:
- stored on "media"; or
 - pre-installed and stored in "hardware."
18. "Proprietary programs" means proprietary applications or programs that are developed in-house or that "you" had developed specifically for "you" and that are:
- stored on "media"; or
 - installed and stored in "hardware."
19. "Restoration period" means:
- the time it should reasonably take to resume "your" "business" to a similar level of service starting from the date of a physical loss of or damage to covered property at a premises described on the "schedule of coverages" or Change Endorsement that is caused by a covered peril and ending on the date:
 - the property should be rebuilt, repaired, or replaced; or
 - "business" is resumed at a new permanent location.This is not limited by the expiration date of the policy.
 - The "restoration period" also means the increased time required to comply with the enforcement of any ordinance, law, or decree that:
 - regulates the construction, use, or repair of any property; or
 - requires the demolition of any property, in part or in whole, not damaged by a covered peril.The ordinance, law, or decree must be in force at the time of loss.

"Restoration period" does not mean the increased time required to comply with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants."
 - Only as regards coverage described under Off Premises Utility Service Interruption; Interruption of Web Site (if added to this coverage part by endorsement); and Property In Transit in the Supplemental Income Coverages, "restoration period" also means the time it should reasonably take to resume "your" "business" starting from the date of direct physical loss of or damage caused by a covered peril to:
 - property not located at a premises described on the "schedule of coverages" or Change Endorsement and that is owned by utility, a landlord, or another utility supplier;

2) "your" Web site operation that is being maintained or operated by and that is located at the premises of an independent contractor or Internet service provider; and

3) property in transit;

and ending on the date the property should be rebuilt, repaired, or replaced. This is not limited by the expiration date of the policy.

20. "Schedule of coverages" or Change Endorsement means:

- a. all pages labeled schedule of coverages or schedules which pertain to this coverage; and
- b. declarations or supplemental declarations which pertain to this coverage.

21. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation.

Sinkhole collapse does not include the value of the land or the cost of filling sinkholes.

22. "Software" means "media," "data records," "programs and applications," and "proprietary programs."

Software does not mean "Web site software."

23. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. to the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

24. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.

25. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

Volcanic action does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

26. "Web site server" means "on-site server" and "off-site server."

27. "Web site software" means the following software that are used in "your" "Web site server":

- a. "media";
- b. "data records";
- c. programs and applications which means operating programs and applications that "you" purchase and that are stored on "media" or pre-installed and stored in "Web site servers"; and
- d. proprietary programs which means proprietary applications or programs that are developed in-house or that "you" had developed specifically for "you" and that are stored on "media" or installed and stored in "Web site servers."

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. Hardware –

- a. **Coverage** – "We" cover direct physical loss caused by a covered peril to "your" "hardware" and similar property of others that is in "your" care, custody, or control.
- b. **Coverage Limitations** – "We" only cover "your" "hardware" and similar property of others:
 - 1) when a "limit" for "hardware" is indicated on the "schedule of coverages" or Change Endorsement; and
 - 2) while at a premises described on the "schedule of coverages" or Change Endorsement.

2. Software –

- a. **Coverage** – “We” cover direct physical loss caused by a covered peril to “your”:
 - 1) “media”;
 - 2) “programs and applications”; and
 similar property of others that is in “your” care, custody, or control.
- b. **Coverage Limitations** – “We” only cover “media,” “programs and applications,” and similar property of others:
 - 1) when a “limit” for “media” and “programs and applications” is indicated on the “schedule of coverages” or Change Endorsement; and
 - 2) while at a premises described on the “schedule of coverages” or Change Endorsement.
- c. **We Do Not Cover** – Except as provided under Supplemental Coverages, “we” do not cover:
 - 1) “data records”; and
 - 2) “proprietary programs.”

INCOME COVERAGE

“We” provide the following coverage unless the coverage is excluded or subject to limitations.

- 1. **Coverage Options** – One of the following described coverage options applies when that option is indicated on the “schedule of coverages” or Change Endorsement:
 - a. Earnings and Extra Expense; or
 - b. Extra Expense only.
- 2. **Coverage –**
 - a. **Covered Property** – “We” provide the coverages described below during the “restoration period” when “your” “business” is necessarily wholly or partially interrupted by direct physical loss of or damage to covered property at a premises described on the “schedule of coverages” or Change Endorsement as a result of a covered peril.
 - b. **Described Premises and Air Conditioning System** – “We” provide the coverages described below under 3. and 4. during the “restoration period” when “your” “business” is necessarily wholly or partially interrupted as a result of direct physical loss of or damage to:
 - 1) a premises described on the “schedule of coverages” or Change Endorsement that prevents “you” from using covered property; or
 - 2) the air conditioning or electrical systems which are necessary for the operation of covered property and results in a reduction or suspension of “your” “business.”
 - c. **If You Lease Your Premises** – If “you” lease, rent, or do not own the premises “you” occupy, for the purposes of determining an Income Coverage loss, “your” location is the space that “you” lease, rent, or occupy including, but not limited to, all passageways to “your” location within the building.
- 3. **Earnings** – “We” cover “your” actual loss of net income (net profit or loss before income taxes) that would have been earned or incurred and continuing operating expenses normally incurred by “your” “business,” including but not limited to payroll expense.
- 4. **Extra Expense** – “We” cover only the extra expenses that are necessary during the “restoration period” that “you” would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a covered peril.
 - a. **Expenses To Reduce Interruption** – “We” cover any extra expense to avoid or reduce the interruption of “your” data processing operations and continue operating at a premises described on the “schedule of coverages” or Change Endorsement, replacement location, or a temporary location. This includes expenses to relocate and costs to outfit and operate a replacement or temporary location.

“We” will also cover any extra expense to reduce the interruption of “business” if it is not possible for “you” to continue operating during the “restoration period.”
 - b. **Expenses To Repair/Restore Property and Information** – To the extent that they reduce a loss otherwise payable under this coverage, “we” will cover any extra expenses to:

- 1) repair, replace, or restore any property; and
- 2) research, replace, or restore information on damaged documents, manuscripts, or records that:
 - a) are inscribed, printed, or written; or
 - b) exist on electronic or magnetic media.

PROPERTY NOT COVERED

1. **Accounts, Bills, or Documents** – "We" do not cover accounts, bills, evidences of debt, records, abstracts, deeds, manuscripts, program documentation, or other documents except those that are in "software" form and then only in that form.
2. **Checked Luggage** – "We" do not cover loss resulting from theft or disappearance of a laptop, palmtop, notebook PC, or any portable computer while in transit as checked luggage.
3. **Contraband** – "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Loaned, Leased, or Rented To Others** – "We" do not cover property that "you" loan, lease, or rent to others.
5. **Money and Securities** – "We" do not cover currency, food stamps, lottery tickets not held for sale, money, notes, or securities.
6. **Stock In Trade** – "We" do not cover property that is "your" stock in trade.
7. **Web Site Servers** – "We" do not cover "Web site servers" including "Web site software."

COVERAGE EXTENSIONS

Provisions That Apply To Coverage Extensions – The following Coverage Extensions indicate an applicable "limit." This "limit" may also be shown on the "schedule of coverages" or Change Endorsement.

If a different "limit" is indicated on the "schedule of coverages" or Change Endorsement, that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages" or Change Endorsement.

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

The following coverage extensions are not subject to and not considered in applying coinsurance conditions.

1. **Debris Removal** –
 - a. **Coverage** – "We" pay the cost to remove the debris of covered property that is caused by a covered peril.
 - b. **We Do Not Cover** – This coverage does not include costs to:
 - 1) extract "pollutants" from land or water; or
 - 2) remove, restore, or replace polluted land or water.
 - c. **Limit** – "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.
 - d. **Additional Limit** – "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
 - e. **You Must Report Your Expenses** – "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.
2. **Electrical and Power Supply Disturbance** –
 - a. **Coverage** – "We" cover direct physical loss to covered property caused by:

- 1) "electrical disturbance"; or
- 2) "power supply disturbance."
- b. **Coverage Limitation** – "We" only cover loss caused by "electrical disturbance" and "power supply disturbance" if the cause of such disturbance took place within 500 feet of the premises where the loss occurred.

However, if the "schedule of coverages" or Change Endorsement indicates that there is no limitation, then the 500 feet limitation described above does not apply to this Coverage Extension.

3. Emergency Removal –

- a. **Coverage** – "We" pay for any direct physical loss to covered property while it is being moved or being stored to prevent a loss caused by a covered peril.
- b. **Time Limitation** – This coverage applies for up to 365 days after the property is first moved. Also, this coverage does not extend past the date on which this policy expires.

4. Emergency Removal Expenses –

- a. **Coverage** – "We" pay for "your" expenses to move or store covered property to prevent a loss caused by a covered peril.
- b. **Time Limitation** – This coverage applies for up to 365 days after the property is first moved. Also, this coverage does not extend past the date on which this policy expires.
- c. **Limit** – The most "we" pay in any one occurrence for expenses to move or store covered property to prevent a loss is \$1,000.
- d. **This Is A Separate Limit** – The "limit" for Emergency Removal Expenses is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

5. Fraud and Deceit –

- a. **Coverage** – "We" cover theft of covered property when "you," "your" agents, customers, or consignees are fraudulently induced to part with the covered property:
 - 1) to persons who falsely represent themselves as the proper persons to receive the property; or
 - 2) by the acceptance of fraudulent bills of lading or shipping receipts.
- b. **Limit** – The most "we" pay in any one occurrence for theft of covered property under this Coverage Extension is \$1,000.

6. Mechanical Breakdown Coverage – "We" pay for loss to covered property caused by "mechanical breakdown."

SUPPLEMENTAL COVERAGES

Provisions That Apply To Supplemental Coverages – The following Supplemental Coverages indicate an applicable "limit." This "limit" may also be shown on the "schedule of coverages" or Change Endorsement.

If a different "limit" is indicated on the "schedule of coverages" or Change Endorsement, that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages" or Change Endorsement.

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

The following coverage extensions are not subject to and not considered in applying coinsurance conditions.

1. Acquired Locations –

- a. **Coverage** – “We” cover direct physical loss caused by a covered peril to covered property at locations that “you” acquire during the policy period.
- b. **Limit** – “We” pay up to \$250,000 for covered property at locations that “you” acquire.
- c. **Time Limitation** – This coverage applies for up to 60 days from the date “you” acquire the location or until “you” report the acquired location to “us,” whichever occurs first.
However, this coverage does not go beyond the end of the policy period.
- d. **Additional Premium** – “You” must pay any additional premium due from the date “you” acquire the location.

2. Earthquake Coverage – If coverage is indicated on the “schedule of coverages” or Change Endorsement, “we” cover direct physical loss caused by earthquake and volcanic eruption to covered property while at a premises described on the “schedule of coverages” or Change Endorsement.

3. Flood Coverage – If coverage is indicated on the “schedule of coverages” or Change Endorsement, “we” cover direct physical loss caused by “flood” to covered property while at a premises described on the “schedule of coverages” or Change Endorsement.

4. Newly Purchased or Leased Hardware –

- a. **Coverage** – “We” cover direct physical loss caused by a covered peril to additional “hardware” including pre-installed “programs and applications” that “you” purchase or lease during the policy period.
- b. **Limit** – The most that “we” pay for any loss under this additional coverage is the least of:
 - 1) the actual cash value of the covered property; or
 - 2) \$250,000.
- c. **Time Limitation** – “We” extend coverage to the additional “hardware” that “you” purchase or lease for up to 60 days.
This supplemental coverage will end when any of the following first occur:
 - 1) this policy expires;
 - 2) 60 days after “you” obtain the additional “hardware”; or
 - 3) “you” report the additional “hardware” to “us.”
- d. **Additional Premium** – “You” must pay any additional premium due from the date “you” purchase or lease the additional “hardware.”

5. Off-Site Computers –

- a. **Coverage** – “We” cover direct physical loss caused by a covered peril to covered property in the custody of “you,” “your” officers, “your” partners, or “your” employees, while:
 - 1) at “your” residence or the residence of “your” officers, partners, or employees;
 - 2) temporarily at a premises that is not described on the “schedule of coverages” or Change Endorsement; or
 - 3) in transit between a:
 - a) residence or temporary premises; and
 - b) premises described on the “schedule of coverages” or Change Endorsement.

- b. **Limit** – The most “we” pay in any one occurrence for loss to off-site covered property is \$2,500.

6. Pollutant Cleanup and Removal –

- a. **Coverage** – “We” pay “your” expense to extract “pollutants” from land or water if the discharge, dispersal, seepage, migration, release, or escape of the “pollutants” is caused by a covered peril that occurs during the policy period.

- b. **Time Limitation** – The expenses to extract “pollutants” are paid only if they are reported to “us” in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** – “We” do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of “pollutants.”
However, “we” pay the cost of testing which is necessary for the extraction of “pollutants” from land or water.
- d. **Limit** – The most “we” pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

7. Property In Transit –

- a. **Coverage** – “We” cover direct physical loss to covered property caused by a covered peril while in transit.
- b. **Limit** – The most “we” pay in any one occurrence for loss to covered property in transit is the hardware limit for the described premises.

8. Proprietary Programs and Data Records –

- a. **Coverage** – “We” cover the cost of research or other expenses necessary to reproduce, replace, or restore lost files or codes on lost or damaged “data records” and “proprietary programs” and similar property of others that is in “your” care, custody, or control.
- b. **Coverage Limitations** – “We” only cover “data records,” “proprietary programs,” and similar property of others:
 - 1) while at a premises described on the “schedule of coverages” or Change Endorsement; and
 - 2) if the cost of research or other expenses necessary to reproduce, replace, or restore lost files or codes are incurred due to a direct physical loss caused by a covered peril to “data records” and “proprietary programs.”
- c. **Limit** – The most “we” pay in any one occurrence for “data records” and “proprietary programs” is \$5,000.

9. Rewards –

- a. **Coverage** – “We” pay for reward information that leads to a conviction for:
 - 1) arson,
 - 2) theft, or
 - 3) vandalism including, but not limited to, “computer hacking” and “computer virus.”The conviction must involve a covered loss caused by arson, theft, or vandalism.
- b. **Limit** – The most “we” pay in any one occurrence for reward information is \$1,000.
- c. **Limit Is Not Increased By The Number of Persons Providing Information** – The amount “we” pay is not increased by the number of persons involved in providing the information.

10. Sewer Backup and Water Below the Surface – If coverage is indicated on the “schedule of coverages” or Change Endorsement, “we” cover direct physical loss caused by:

- a. water that backs up through a sewer or drain; or
- b. water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a described premises.

11. Software Storage –

- a. **Coverage** – “We” cover direct physical loss caused by a covered peril to duplicate and back-up “software” stored at a “software” storage location.
- b. **Coverage Condition** – Each “software” storage location must be in a separate building which is at least 100 feet away from a premises described on the “schedule of coverages” or Change Endorsement.
- c. **Limit** – The most “we” pay in any one occurrence for loss to duplicate and back-up “software” is \$25,000.

12. Virus and Hacking Coverage –

- a. **Coverage** – “We” cover direct physical loss to covered “hardware” and “software” caused by a “computer virus” or by “computer hacking.”
- b. **We Do Not Cover** – “We” do not cover:
 - 1) loss of exclusive use of any “data records” or “proprietary programs” that have been copied, scanned, or altered;
 - 2) loss of or reduction in economic or market value of any “data records” or “proprietary programs” that have been copied, scanned, or altered;
 - 3) theft from “your” “data records” or “proprietary programs” of confidential information through the observation of the “data records” or “proprietary programs” by accessing covered “hardware” or “your” computer network without any alteration or other physical loss or damage to the records or programs. Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets; and
 - 4) except as provided under the Supplemental Income Coverages, denial of access to or services from “your” “hardware” or “your” computer network.
- c. **Limit** – The most “we” pay in any one occurrence under this Supplemental Coverage is \$5,000.
The most “we” pay for all covered losses under this Supplemental Coverage during each separate 12-month period of this policy is \$10,000.

INCOME COVERAGE EXTENSIONS

Provisions That Apply To Income Coverage Extensions – The following Income Coverage Extensions indicate an applicable “limit” or limitation. This “limit” or limitation may also be shown on the “schedule of coverages” or Change Endorsement.

If a different “limit” or limitation is indicated on the “schedule of coverages” or Change Endorsement, that “limit” or limitation will apply instead of the “limit” or limitation shown below.

The following Income Coverage Extensions are part of and not in addition to the applicable Income Coverage “limit.”

1. Interruption by Civil Authority –

- a. **Coverage** – “We” extend “your” coverage for earnings and extra expense to include loss sustained while access to premises described on the “schedule of coverages” or Change Endorsement is specifically denied by an order of civil authority.
- b. **Coverage Limitation** – The order of civil authority must be a result of direct physical loss of or damage to property, other than at a premises described on the “schedule of coverages” or Change Endorsement and must be caused by a covered peril.
- c. **Time Limitation** – Unless otherwise indicated on the “schedule of coverages” or Change Endorsement, this coverage extension is limited to 30 consecutive days from the date of the order.

2. Period of Loss Extension After Business Resumes –

- a. **Coverage** – “We” extend “your” coverage for earnings to cover loss from the date the covered property that incurred the loss is rebuilt, repaired, or replaced and “your” data processing operations are resumed until:
 - 1) the end of 30 consecutive days (unless otherwise indicated on the “schedule of coverages” or Change Endorsement); or
 - 2) the date “you” could reasonably resume “your” “business” to the conditions that would generate the earnings amount that would have existed had no loss or damage occurred,
 whichever is earlier.
- b. **Coverage Limitation** – Loss of earnings must be caused by direct physical loss of or damage to property at a premises described on the “schedule of coverages” or Change Endorsement as a result of a covered peril.

SUPPLEMENTAL INCOME COVERAGES

Provisions That Apply To Supplemental Income Coverages – Unless otherwise indicated, the following Supplemental Income Coverages apply separately to each premises described on the "schedule of coverages" or Change Endorsement.

The following Supplemental Income Coverages indicate an applicable "limit." This "limit" may also be shown on the "schedule of coverages" or Change Endorsement.

If a different "limit" is indicated on the "schedule of coverages" or Change Endorsement, that "limit" will apply instead of the "limit" shown below.

Unless otherwise indicated, a "limit" for a Supplemental Income Coverage provided below is separate from, and not part of, the applicable Income Coverage "limit." The "limit" available for coverage described under a Supplemental Income Coverage:

- a. Is the only "limit" available for the described coverage; and
- b. Is not the sum of the "limit" indicated for a Supplemental Income Coverage and the Income Coverage "limit."

The "limit" provided under a Supplemental Income Coverage cannot be combined or added to the "limit" for any other Supplemental Income Coverage or Income Coverage Extension.

1. Acquired Locations –

- a. **Coverage** – "We" extend "your" coverage for earnings and extra expense to include direct physical loss to covered property while at locations that "you" acquire during the policy period.
- b. **Time Limitation** – This coverage applies for up to 60 days from the date "you" acquire the location or until "you" report the acquired location to "us," whichever occurs first.
However, this coverage does not go beyond the end of the policy period.
- c. **Additional Premium** – "You" must pay any additional premium due from the date "you" acquire the location.
- d. **Limit** – The most "we" pay in any one occurrence for loss of earnings and incurred extra expense at each newly acquired location is \$25,000.

2. Earthquake Coverage – If coverage is indicated on the "schedule of coverages" or Change Endorsement, "we" cover direct physical loss caused by earthquake and volcanic eruption to covered property while at a premises described on the "schedule of coverages" or Change Endorsement.

3. Flood Coverage – If coverage is indicated on the "schedule of coverages" or Change Endorsement, "we" cover direct physical loss caused by "flood" to covered property while at a premises described on the "schedule of coverages" or Change Endorsement.

4. Off Premises Utility Service Interruption –

- a. **Coverage** – Coverage for earnings and/or extra expense is extended to loss of earnings or extra expenses that "you" incur during the "restoration period" when "your" data processing operations are interrupted due to the interruption of an off premises utility services when the interruption is a result of direct physical loss or damage by a covered peril to property that is not located at a premises described on the "schedule of coverages" or Change Endorsement and that is owned by a utility, a landlord, or another supplier who provides "you" with:
 - 1) power, gas;
 - 2) telecommunications, including but not limited to Internet access; or
 - 3) water.
- b. **Overhead Transmission Lines Exclusion** – If the "schedule of coverages" or Change Endorsement indicates that overhead transmission lines are excluded, coverage under this extension does not include loss to overhead transmission lines that deliver utility service to "you." Overhead transmission lines include, but are not limited to:
 - 1) overhead transmission and distribution lines;
 - 2) overhead transformers and similar equipment; and
 - 3) supporting poles and towers.

- c. **Waiting Period Limitation** – Unless otherwise indicated on the "schedule of coverages" or Change Endorsement, "we" do not pay for "your" loss of earnings under this Supplemental Income Coverage until after the first 24 hours following the direct physical loss of or damage to the property owned by a utility, a landlord, or another supplier. This waiting period does not apply to extra expenses that "you" incur.
 - d. **Limit** – The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$10,000.
- 5. Property In Transit –**
- a. **Coverage** – Coverage for earnings is extended to loss of earnings during the "restoration period" when "your" "business" is interrupted as a result of a direct physical loss, caused by a covered peril, to covered property in transit.
 - b. **Limit** – The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$5,000.
- 6. Sewer Backup and Water Below the Surface** – If coverage is indicated on the "schedule of coverages" or Change Endorsement "we" extend "your" coverage for earnings and extra expense to include direct physical loss to covered property caused by:
- a. water that backs up through a sewer or drain; or
 - b. water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a described premises.
- 7. Virus and Hacking Coverage –**
- a. **Coverage** – Coverage for earnings and/or extra expense is extended to loss of earnings or extra expenses caused by a "computer virus" or by "computer hacking" that results in:
 - 1) direct physical loss or damage to covered "software" and "hardware"; or
 - 2) denial of access to or services from "your" "hardware" or "your" computer network.
 - b. **We Do Not Cover** – "We" do not cover loss of earnings or extra expenses under this Supplemental Income Coverage that results from:
 - 1) loss of exclusive use of any "data records" or "proprietary programs" that have been copied, scanned, or altered;
 - 2) loss of or reduction in economic or market value of any "data records" or "proprietary programs" that have been copied, scanned, or altered;
 - 3) theft from "your" "data records" or "proprietary programs" of confidential information through the observation of the "data records" or "proprietary programs" by accessing covered "hardware" or "your" computer network without any alteration or other physical loss or damage to the records or programs.

Confidential information includes, but is not limited to customer information, processing methods, or trade secrets.
 - c. **Waiting Period Limitation** – Unless otherwise indicated on the "schedule of coverages" or Change Endorsement, "we" do not pay for "your" loss of earnings under this Supplemental Income Coverage until after the first 24 hours following the direct physical loss of or damage to "your" data processing operations. This waiting period does not apply to extra expenses that "you" incur.
 - d. **Limit** – The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$5,000.
- The most "we" pay for all covered losses under this Supplemental Income Coverage during each 12-month period of this policy is \$15,000.

PERILS COVERED

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

- 1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to

or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

- a. **Civil Authority** – “We” do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

“We” do pay for loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement** – Except as provided under Supplemental Coverages - Earthquake Coverage, “we” do not pay for loss caused by any earth movement (other than “sinkhole collapse”) or caused by eruption, explosion, or effusion of a volcano. Earth movement includes, but is not limited to: earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting of earth.

“We” do cover direct loss by fire, explosion, or “volcanic action” resulting from either earth movement or eruption, explosion, or effusion of a volcano.

- c. **Flood** – Except as provided under Supplemental Coverages - Flood Coverage, “we” do not pay for loss caused by “flood.” However, “we” do cover the resulting loss if fire, explosion, or sprinkler leakage results.

- d. **Nuclear Hazard** – “We” do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **Sewer Backup and Water Below the Surface** – Except as provided under Supplemental Coverages - Sewer Backup and Water Below the Surface, “we” do not pay for loss caused by or resulting from:

- 1) water that backs up through a sewer or drain; or
- 2) water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a building or structure.

But if sewer backup and water below the surface results in fire, explosion, or sprinkler leakage, “we” cover the loss or damage caused by that fire, explosion, or sprinkler leakage.

- f. **War and Military Action** – “We” do not pay for loss caused by:

- 1) war, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the “terms” of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

2. “We” do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Computer Virus or Computer Hacking** – Except as provided under Supplemental Coverages - Virus and Hacking Coverage and Supplemental Income Coverages - Virus and Hacking Coverage, “we” do not pay for:

- 1) any direct or indirect loss or damage; or
- 2) loss of access, loss of use, or loss of functionality caused by a “computer virus” or by “computer hacking.”

- b. **Criminal, Fraudulent, or Dishonest Acts** – “We” do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts alone or in collusion with another by:

- 1) “you”;
- 2) others who have an interest in the property;
- 3) others to whom “you” entrust the property;
- 4) “your” partners, officers, directors, trustees, or joint adventurers; or

5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Electrical and Power Supply Disturbance** – "We" do not pay for loss caused by "electrical disturbance" or "power supply disturbance" if the cause of such disturbance took place more than 500 feet from the premises where the loss occurred.

However, if disturbance coverage beyond 500 feet is indicated on the "schedule of coverages" or Change Endorsement, then the Electrical and Power Supply Disturbance exclusion described above is deleted.

- d. **Loss of Use** – "We" do not pay for loss caused by or resulting from loss of use, business interruption, delay, or loss of market.

This exclusion does not apply to the coverages described under Income Coverages, income Coverage Extensions, and Supplemental Income Coverages.

- e. **Pollutants** – "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants" unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril." "We" do pay for any resulting loss caused by a "specified peril."

- f. **Temperature/Humidity** – Except as provided under Utility Interruption, "we" do not pay for loss to covered property caused by:

- 1) dryness, dampness, humidity; or
- 2) changes in or extremes of temperature.

However, "we" do pay for loss to covered property that results from a direct physical loss, caused by a covered peril, to the air conditioning system that services covered "hardware."

- g. **Voluntary Parting** – Except as provided under Coverage Extensions - Fraud and Deceit, "we" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- 3. "We" do not pay for loss or damage if one or more of the following exclusions apply to the loss. But if loss by a covered peril results, "we" will pay for the resulting loss.

- a. **Contamination, Deterioration, Rust, or Corrosion** – "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in covered property that causes it to damage or destroy itself.

This exclusion does not apply to loss caused by "mechanical breakdown."

- b. **Wear and Tear or Obsolescence** – "We" do not pay for loss caused by wear and tear, depreciation, or obsolescence.

- 4. "We" do not pay for loss of earnings or extra expenses, as described under Income Coverage, caused by or resulting from one or more of the following:

- a. **Error or Omission in Programming** – "We" do not pay for extra expense caused by an error or omission in programming or incorrect instructions to "hardware."
- b. **Leases, Licenses, Contracts, or Orders** – "We" do not cover any increase in loss due to the suspension, lapse, or cancellation of leases, licenses, contracts, or orders.

However, "we" do cover loss during the "restoration period" if the suspension, lapse, or cancellation results directly from the interruption of "your" "business."

"We" do not cover any extra expense caused by the suspension, lapse, or cancellation of leases, licenses, contracts, or orders beyond the "restoration period."

- c. **Strikes, Protests, and Other Interference** – "We" do not cover any increase in loss due to interference by strikers or other persons at a premises described on the "schedule of coverages" or Change Endorsement. This applies to interference with rebuilding, repairing, or replacing the property or with resuming "your" "business."

- d. **Utility Failure** – Except as provided under Supplemental Income Coverages - Off Premises Utility Service Interruption, "we" do not pay for loss caused by or resulting from the failure of a utility to supply electrical power or other utility service to a described premises, if the failure takes place away from the described premises. "We" do not pay for loss caused by or resulting from the failure of a utility to supply service regardless of the cause of failure.
- e. **Interruption of Web Site** – "We" do not pay for loss caused by or resulting from the interruption of "your" Web site. "We" do not pay for loss caused by or resulting from the interruption of "your" Web site regardless of the cause of the interruption.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** – In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice, including a description of the property involved ("we" may request written notice); and
 - b. give notice to the police when the act that causes the loss is a crime.
2. **You Must Protect Property** – "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
 - a. **Payment of Reasonable Costs** – "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs.
 - b. **We Do Not Pay** – "We" do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against. This does not increase "our" "limit."
3. **Proof of Loss** – "You" must send "us," within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
 - a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;
 - c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
 - d. changes in title of the covered property during the policy period; and
 - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Intent To Continue Business - Income Coverage** – If "you" intend to continue "your" "business," "you" must resume all or part of "your" "business" as soon as possible.
5. **Examination** – "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
6. **Records** – "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
7. **Damaged Property** – "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
8. **Volunteer Payments** – "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
9. **Abandonment** – "You" may not abandon the property to "us" without "our" written consent.
10. **Cooperation** – "You" must cooperate with "us" in performing all acts required by this policy.

VALUATION

1. **Hardware** – The following is the value of "hardware":

- a. **Replacement Cost** – The value of “hardware” will be based on replacement cost without any deduction for depreciation unless Actual Cash Value is indicated on the “schedule of coverages” or Change Endorsement.
 - 1) **Replacement Cost Limitation** – The replacement cost is limited to the cost of repair or replacement with similar materials on the same site and used for the same purpose. The payment will not exceed the amount “you” spend to repair or replace the damaged or destroyed property.
 - 2) **Replacement Cost Does Not Apply Until Repair or Replacement** – Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
 - 3) **Time Limitation** – “You” may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if “you” notify “us” of “your” intent within 180 days after the loss.
 - b. **Actual Cash Value** – When Actual Cash Value is indicated on the “schedule of coverages” or Change Endorsement, the value of “hardware” will be based on the actual cash value at the time of the loss with a deduction for depreciation.
2. **Software** – The following is the value of “software”:
- a. **Programs and Applications** –
 - 1) **Cost To Reinstall** – The value of “programs and applications” will be based on the cost to reinstall the “programs or applications” from the licensed discs that were originally used to install the programs or applications.
 - 2) **If The Original Discs Are Lost** – If the original licensed discs are lost, damaged, or can no longer be obtained, the value of “programs and applications” will be based on the cost of the most current version of the “programs or applications.”
 - b. **Proprietary Programs** –
 - 1) **Cost of Reproduction** – The value of “proprietary programs” will be based on the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.
 - 2) **If Duplicate Copies Do Not Exist** – If duplicate copies do not exist, the value of “proprietary programs” will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost “proprietary programs.”
 - c. **Data Records** –
 - 1) **Cost of Reproduction** – The value of “data records” will be based on the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.
 - 2) **If Duplicate Copies Do Not Exist** – If duplicate copies do not exist, the value of “data records” will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents, and records.
 - d. **Media** – The value of “media” will be based on the cost to repair or replace the “media” with material of the same kind or quality.
3. **Pair or Set** –
- a. **Reasonable Proportion of Value** – The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
 - b. **Provision Does Not Apply To Software** – The Pair or Set provision does not apply to “software” that comes in sets. If part of a “software” set cannot be replaced, the loss is considered a total loss of the set.
4. **Loss To Parts** – The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.
5. **Earnings** –
- a. **Determining An Earnings Loss** – In determining an earnings loss “we” consider:
 - 1) the experience of “your” “business” before the loss and the probable experience during the time of interruption had no loss occurred;

- 2) "your" continuing operating expenses normally incurred by "your" "business," including, but not limited to, payroll expense necessary to resume "business" to a similar level of service that existed before the occurrence of direct physical loss or damage; and
- 3) pertinent sources of information and reports including:
 - a) "your" accounting procedures and financial records;
 - b) bills, invoices, and other vouchers;
 - c) contracts, deeds, and liens;
 - d) reports on feasibility and status; and
 - e) records documenting "your" budget and marketing objectives and results.
- b. **Conditions For Non-Payment of Increased Loss** – "We" do not pay for any increase in loss due to "your" failure to use reasonable efforts to resume all or part of "your" "business." This includes making use of other locations and property to reduce the loss.
- c. **Loss Payment If You Do Not Resume Your Business** – If "your" "business" is not resumed as soon as possible, or if it is not resumed at all, the value of loss payment is based on the period of time it would have otherwise taken to resume "your" "business" as soon as possible.
6. **Extra Expense** – In determining extra expenses that "you" have incurred, "we" consider the salvage value of any property bought for temporary use during the "restoration period" and it will be deducted from the amount of loss determined for extra expense.

HOW MUCH WE PAY

1. **Insurable Interest** – "We" do not cover more than "your" insurable interest in any property.
2. **Earthquake Period** – All earthquakes or volcanic eruptions that occur within a 168-hour period will be considered a single event. This 168-hour period is not limited by the policy expiration.
3. **Deductible** – "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" or Change Endorsement in any one occurrence.

The deductible may be shown as either an amount or a percentage. When shown as a percentage, the deductible is that percentage of the value of the covered property at the time of the loss.
4. **Loss Settlement Terms** – Subject to paragraphs 1., 2., 3., 5., 6., 7., 8., 9., and 10. under How Much We Pay, "we" pay the lesser of:
 - a. the amount determined under Valuation;
 - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - c. the "limit" that applies to the covered property.
5. **Coinurance, Hardware, and Software** –
 - a. **When Coinurance Applies** – "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages" or Change Endorsement.
 - b. **How We Determine Our Part of The Loss** – "Our" part of the loss is determined using the following steps:
 - 1) multiply the percent indicated on the "schedule of coverages" or Change Endorsement by the value of the covered property at the time of loss;
 - 2) divide the "limit" for covered property by the result determined in 5.a. above;
 - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in 5.b. above.

The most "we" pay is the amount determined in 5.c. above or the "limit," whichever is less. "We" do not pay any remaining part of the loss.
 - c. **If There Is More Than One Limit** – If there is more than one "limit" indicated on the "schedule of coverages" or Change Endorsement for this coverage part, this procedure applies separately to each "limit."

- d. **If There is Only One Limit** – If there is only one "limit" indicated on the "schedule of coverages" or Change Endorsement for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
- e. **When Coinsurance Does Not Apply** – Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages" or Change Endorsement.
6. **Coinsurance, Income Coverage Part** –
 - a. **When Coinsurance Applies** – "We" pay only a part of the loss if the "limit" is less than the coinsurance percentage multiplied by the sum of:
 - 1) "your" net income (net profit or loss before income taxes); and
 - 2) continuing operating expenses projected for the 12 months following the inception of this policy or the last previous anniversary date of this policy (whichever is later), normally earned by "your" "business."
 - b. **How We Determine Our Part of The Loss** – "Our" part of the loss is determined using the following steps:
 - 1) multiply the coinsurance percentage by the sum of "your" net income and continuing operating expenses projected for the 12 months following the inception of this policy or the last previous anniversary date of this policy;
 - 2) divide the "limit" by the figure determined in 1) above;
 - 3) multiply the total amount of loss by the figure determined in 2) above.

"We" pay the amount determined in 3) above or the "limit," whichever is less. "We" do not pay any remaining part of the loss.
 - c. **When Coinsurance Does Not Apply** – Conditions for coinsurance do not apply:
 - 1) unless a coinsurance percentage is indicated on the "schedule of coverages" or Change Endorsement; and
 - 2) to coverage for extra expense.
7. **Insurance Under More Than One Coverage** – If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.
8. **Insurance Under More Than One Policy** –
 - a. **Proportional Share** – "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
 - b. **Excess Amount** – If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit."
9. **Income Coverage Limit** – "We" pay no more than the Income Coverage "limit" indicated on the "schedule of coverages" or Change Endorsement for any one loss. Payment for earnings and extra expense combined does not exceed the "limit."
10. **Waiting Period** –
 - a. **Waiting Period Limitation** – If an Income Coverage waiting period is indicated on the "schedule of coverages" or Change Endorsement, "we" do not pay for "your" loss of earnings until after the first 24 hours (unless otherwise indicated on the "schedule of coverages") following the direct physical loss of or damage to covered property caused by a covered peril.
This waiting period does not apply to extra expenses that "you" incur.
 - b. **Waiting Period Limitation For Civil Authority** – As regards coverage under Interruption by Civil Authority, coverage under this extension begins:
 - 1) for earnings, 24 hours (unless otherwise indicated on the "schedule of coverages" or Change Endorsement) after the time the order is issued and ends 30 consecutive days and 24 hours from the date of the order; and

- 2) for extra expense, immediately after the time the order is issued, and ends 30 consecutive days and 24 hours from the date of the order.
- c. **Other Waiting Period Limitations** – The waiting period described under Off Premises Utility Service Interruption and Virus and Hacking Coverage is not deleted nor replaced by the terms of this provision.

LOSS PAYMENT

1. Loss Payment Options –

- a. **Our Options** – In the event of loss covered by this coverage form, "we" have the following options:
 - 1) pay the value of the lost or damaged property;
 - 2) pay the cost of repairing or replacing the lost or damaged property;
 - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
 - 4) take all or any part of the property at the agreed or appraised value.
- b. **Notice of Our Intent To Rebuild, Repair, or Replace** – "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. Your Losses –

- a. **Adjustment and Payment of Loss** – "We" adjust all losses with "you." Payment will be made to "you" unless another loss payee is named in the policy.
- b. **Conditions For Payment of Loss** – An insured loss will be payable 30 days after:
 - 1) a satisfactory proof of loss is received; and
 - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us."

3. Property of Others –

- a. **Adjustment and Payment of Loss To Property of Others** – Losses to property of others may be adjusted with and paid to:
 - 1) "you" on behalf of the owner; or
 - 2) the owner.
- b. **We Do Not Have To Pay You If We Pay The Owner** – If "we" pay the owner, "we" do not have to pay "you." "We" may also choose to defend any suits arising from the owners at "our" expense.

OTHER CONDITIONS

1. **Appraisal** – If "you" and "we" do not agree on the amount of the loss or the actual cash value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us," the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us."

2. **Income Coverage (Appraisal)** – If "you" and "we" do not agree on the amount of net income (net profit or loss before income taxes), payroll expense, and operating expenses, these amounts may be determined by appraisal in accordance with the provisions described above under 1. Appraisal.

3. **Benefit To Others** – Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.
4. **Conformity With Statute** – When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
5. **Estates** – This provision applies only if the insured is an individual.
 - a. **Your Death** – On "your" death, "we" cover the following as an insured:
 - 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
 - 2) "your" legal representative.This person or organization is an insured only with respect to property covered by this coverage.
 - b. **Policy Period Is Not Extended** – This coverage does not extend past the policy period indicated on the declarations.
6. **Misrepresentation, Concealment, or Fraud** – This coverage is void as to "you" and any other insured if, before or after a loss:
 - a. "you" or any other insured have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein.
 - b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
7. **Policy Period** – "We" pay for a covered loss that occurs during the policy period.
8. **Recoveries** – If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
 - a. "you" must notify "us" promptly if "you" recover property or receive payment;
 - b. "we" must notify "you" promptly if "we" recover property or receive payment;
 - c. any recovery expenses incurred by either are reimbursed first;
 - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
 - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
9. **Restoration of Limits** – Except as indicated under Virus and Hacking Coverage, a loss "we" pay under this coverage does not reduce the applicable "limits."
10. **Subrogation** – If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.
11. **Suit Against Us** – No one may bring a legal action against "us" under this coverage unless:
 - a. all of the "terms" of this coverage have been complied with; and
 - b. the suit has been brought within two years after "you" first have knowledge of the loss.If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.
12. **Territorial Limits** – "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

CM0112 09 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

A. Loss Condition B. Appraisal in the Commercial Inland Marine Conditions is replaced by the following:

B. Appraisal

1. If we and you disagree on the value of the property or the amount of loss, either may make written demand, within 60 days after our receipt of a signed, sworn proof of loss, for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree for 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
 - a. Pay its chosen appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.
2. If there is an appraisal:
 - a. You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Inland Marine Condition; and
 - b. We will still retain our right to deny the claim.

B. Paragraph 8. of Loss Condition C. Duties In The Event Of Loss in the Commercial Inland Marine Conditions is replaced by the following:

8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 91 days after our request. We will supply you with the necessary forms.

C. Paragraph 2. of General Condition C. Legal Action Against Us in the Commercial Inland Marine Conditions is replaced by the following:

2. The action is brought within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.

D. Paragraphs A.5.a. and A.5.b. of the Coverage Extensions and Section F. Definitions in the Equipment Dealers Coverage Form are deleted.

IM2089 09 06

This endorsement changes the policy
-- PLEASE READ THIS CAREFULLY --

AMENDATORY ENDORSEMENT TEXAS

This mandatory endorsement must be attached to all Texas policies.

1. "Business day," when used in this endorsement, means a day other than Saturday, Sunday, or a holiday recognized by the state of Texas.
2. Under Definitions, if applicable, the definition of "pollutants" is deleted and replaced by the following:
"Pollutant" means:
 - a. any solid, liquid, gaseous, or thermal irritant or contaminant;
 - b. electromagnetic (visible or invisible) or sound emission; or
 - c. waste, including materials to be disposed of as well as recycled, reclaimed, or reconditioned.
3. Under What Must Be Done In Case Of Loss, Notice is deleted and replaced by the following:
Notice -- "You" must promptly notify "us" or "our" agent in the event of a loss. The notice must be in writing. "You" must promptly notify the police if the loss may have been the result of a violation of the law.
4. Under What Must Be Done In Case Of Loss, You Must Protect Property, Payment Of Reasonable Costs is deleted and replaced by the following:
Payment Of Reasonable Costs -- "We" will pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against. "You" must keep an accurate record of such costs.
5. Under What Must Be Done In Case Of Loss, Proof Of Loss is deleted and replaced by the following:
Proof Of Loss -- Upon request, "you" must send "us" a signed, sworn proof of loss within 91 days of the request on a form supplied by "us."
"We" must request a signed, sworn proof of loss within 15 days after receipt of "your" written notice or "we" waive "our" right to require a proof of loss. Such waiver will not waive "our" other rights under this policy.
 - a. This proof of loss will state, to "your" best knowledge and belief:
 - 1) the time and cause of loss;
 - 2) "your" interest and all other's interest in the property involved including all liens on the property;
 - 3) other insurance which may cover the loss;
 - 4) the actual cash value of each item of property and the amount of loss to each item; and
 - 5) if applicable, the name of the occupant and the occupancy of the building at the time of the loss.
 - b. If this policy provides replacement cost coverage and "you" elect to make a claim under the "terms" of the replacement cost provision, this proof of loss will also state, to "your" best knowledge and belief:
 - 1) the replacement cost of the described property; and
 - 2) the full cost of repair or replacement of loss without deduction for depreciation.
6. Under What Must Be Done In Case Of Loss, Examination is deleted and replaced by the following:
Examination -- As often as "we" may reasonably require, "you" must submit to examination under oath and sign and swear to it.
7. Under What Must Be Done In Case Of Loss, Records is deleted and replaced by the following:
Records -- As often as "we" may reasonably require, "you" must provide "us" with pertinent records and documents requested and permit copies to be made from them.
8. Under What Must Be Done In Case Of Loss, Damaged Property is deleted and replaced by the following:

Damaged Property – As often as “we” may reasonably require, “you” must permit “us” to have access to the damaged property before it is disposed of or repaired.

9. Under Loss Payment, the following provision is added:

Acceptance Or Rejection Of Claim –

- a. Within 15 days after “we” receive written notice of claim, “we” must:
- 1) acknowledge receipt of the claim; if the acknowledgment of the claim is not in writing, “we” will keep a record of the date, method, and content of the acknowledgment;
 - 2) begin any investigation of the claim; and
 - 3) specify the information “you” must provide in accordance with the “terms” of the Proof Of Loss condition.
- b. “We” may request more information, if during the investigation of the claim such additional information is necessary.
- c. After “we” receive the information requested, “we” must notify “you” in writing whether the claim will be paid or has been denied or whether more information is necessary:
- 1) within 15 business days; or
 - 2) within 30 days if “we” have reason to believe the loss resulted from arson.
- d. If “we” do not approve payment of the claim or require more time for processing the claim, “we” must:
- 1) give the reasons for denying the claim; or
 - 2) give the reasons “we” require more time to process the claim. But, “we” must either approve or deny the claim within 45 days after requesting more time.

10. Under Loss Payment, Your Losses, Conditions For Payment Of Loss is deleted and replaced by the following:

Conditions For Payment Of Loss – If “we” notify “you” that payment of the claim or part of the claim will be made, “we” must make payment within five “business days” after “our” notification to “you.”

If payment of the claim or part of the claim requires the performance of an act by “you,” “we” must make payment within five “business days” after the date “you” perform the act.

11. Under Other Conditions, the following condition is added:

Catastrophe Claims – If a claim results from a weather related catastrophe or a major natural disaster, each claim handling deadline shown under What Must Be Done In Case Of Loss and Loss Payment is extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which:

- a. is declared a disaster under the Texas Disaster Act of 1975; or
 - b. is determined to be a catastrophe by the Texas Department of Insurance.
12. In all coverage forms except Cold Storage Locker Coverage, Motor Truck Cargo Legal Liability Coverage, and Warehouse Legal Liability Coverage, under Other Conditions, paragraph b. of Suit Against Us is deleted and replaced by the following:
- b. the suit has been brought within two years and one day after “you” first have knowledge of the loss.

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**QUICK REFERENCE
COMMERCIAL GENERAL LIABILITY COVERAGE PART**

READ YOUR POLICY CAREFULLY

The Commercial General Liability Coverage Part in your policy consists of Declarations, a Coverage Form (CG0001), Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference Indexing of the principal provisions contained in each of the components making up this Coverage Part.

DECLARATIONS

- Named Insured and Mailing Address
- Policy Period
- Description of Business and Location of Premises
- Limits of Insurance
- Forms and Endorsements applying to the Coverage Part at time of Issue

COVERAGE FORM (CG0001)

SECTION I – COVERAGES

- Coverage A – Bodily Injury and Property Damage Liability

- Insuring Agreement
 - Exclusions

- Coverage B – Personal and Advertising Injury Liability

- Insuring Agreement
 - Exclusions

- Coverage C – Medical Payments

- Insuring Agreement
 - Exclusions

- Supplementary Payments

SECTION II – WHO IS AN INSURED

SECTION III – LIMITS OF INSURANCE

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

- Bankruptcy
- Duties in the Event of Occurrence, Claim or Suit
- Legal Action Against Us
- Other Insurance
- Premium Audit
- Representations
- Separation of insureds
- Transfer of Rights of Recovery Against Others to Us
- When We Do Not Renew

SECTION V – DEFINITIONS

COMMON POLICY CONDITIONS (IL0017) - See Common Declarations

- Cancellation
- Changes
- Examination of Your Books and Records
- Inspections and Surveys
- Premiums
- Transfer of Your Rights and Duties Under This Policy

ENDORSEMENTS (If Any)

CG0001 04 13

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "Insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES**COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use

Includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
 - (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire)

to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing,

dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the Insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this Insurance applies. We will have the right and duty to defend the Insured against any "suit" seeking those damages. However, we will have no duty to defend the Insured against any "suit" seeking damages for "personal and advertising injury" to which this Insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the Insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the Insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the Insured.

e. Contractual Liability

"Personal and advertising injury" for which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the Insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**
To any insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers' Compensation And Similar Laws**
To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. **Athletic Activities**
To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.
- f. **Products-Completed Operations Hazard**
Included within the "products-completed operations hazard".
- g. **Coverage A Exclusions**
Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your

"employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily Injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage C;
- b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages

because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(I) That is Fire, Extended Coverage, Builders Risk, Installation Risk or similar coverage for "your work";

(II) That is Fire Insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(III) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss; if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each Insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the Insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The Insured must do nothing after loss to impair them. At our request, the Insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the Insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

If such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle

not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

CG2244 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SERVICES FURNISHED BY HEALTH CARE PROVIDERS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE *

Description Of Operations:

*** Information required to complete this endorsement, if not shown above, will be shown in the Declarations or Change Endorsement.**

The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability and Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

With respect to any operation shown in the Schedule, Declarations or Change Endorsement, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The rendering of or failure to render:
 - a. Medical, surgical, dental, X-ray or nursing service, treatment, advice or instruction, or the related furnishing of food or beverages;
 - b. Any health or therapeutic service, treatment, advice or instruction; or
 - c. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
2. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or
3. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph 1., 2. or 3.

CG0103 06 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** With regard to liability for Bodily Injury, Property Damage and Personal and Advertising Injury, unless we are prejudiced by the insured's or your failure to comply with the requirement, no provision of this Coverage Part requiring you or any insured to give notice of "occurrence," claim or "suit," or forward demands, notices, summonses or legal papers in connection with a claim or "suit," will bar coverage under this Coverage Part.

CG2170 01 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

CG2186 12 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – EXTERIOR INSULATION AND FINISH SYSTEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
 2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system," or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.
- B.** The following definition is added to the Definitions Section:
- "Exterior insulation and finish system" means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:
1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
 2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
 3. A reinforced or unreinforced base coat;
 4. A finish coat providing surface texture to which color may be added; and
 5. Any flashing, caulking or sealant used with the system for any purpose.

CG2196 03 05

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust."
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust."
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust," by any insured or by any other person or entity.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust."
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust," by any insured or by any other person or entity.

C. The following definitions are added to the Definitions Section:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

CG2425 12 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI OR BACTERIA COVERAGE

This endorsement modifies Insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE *

Fungi And Bacteria Liability Aggregate Limit \$

* (If no entry appears above, information required to complete this endorsement will be shown in the Declarations or Change Endorsement as applicable to this endorsement.)

A. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

- a. "Personal and advertising injury" arising out of a "fungi or bacteria incident."
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

B. Coverage provided by this insurance for "bodily injury" or "property damage," arising out of a "fungi or bacteria incident," is subject to the Fungi and Bacteria Liability Aggregate Limit as described in Paragraph C. of this endorsement. This provision B. does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

C. The following are added to Section III - Limits of Insurance:

1. Subject to Paragraphs 2. and 3. of Section III - Limits of Insurance, as applicable, the Fungi and Bacteria Liability Aggregate Limit shown in the Schedule of this endorsement is the most we will pay under Coverage A for all "bodily injury" or "property damage" and Coverage C. for Medical Payments arising out of one or more "fungi or bacteria incidents." This provision C.1. does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.
2. Paragraphs 5., the Each Occurrence Limit, Paragraph 6., the Damage To Premises Rented To You Limit, and Paragraph 7., the Medical Expense Limit, of Section III - Limits of Insurance continue to apply to "bodily injury" or "property damage" arising out of a "fungi or bacteria incident" but only if, and to the extent that, limits are available under the Fungi and Bacteria Liability Aggregate Limit.

D. The following definitions are added to the Definitions Section:

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
2. "Fungi or bacteria incident" means an incident which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

CG2426 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

CG2639 12 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – EMPLOYMENT - RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

- 1) A person arising out of any:
 - a) Refusal to employ that person;
 - b) Termination of that person's employment; or
 - c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- 2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs a), b) or c) above is directed.

This exclusion applies:

- 1) Whether the injury-causing event described in Paragraphs a), b) or c) above occurs before employment, during employment or after employment of that person;
- 2) Whether the insured may be liable as an employer or in any other capacity; and
- 3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal and advertising injury" to:

- 1) A person arising out of any:
 - a) Refusal to employ that person;
 - b) Termination of that person's employment; or
 - c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- 2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in paragraphs a), b) or c) above is directed.

IL0168 03 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – DUTIES

This endorsement modifies Insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added to the **Duties** Condition:

We will notify the first Named Insured in writing of:

1. An Initial offer to settle a claim made or "suit" brought against any "insured" under this coverage. The notice will be given not later than the 10th day after the date on which the offer is made.
2. Any settlement of a claim made or "suit" brought against the "insured" under this coverage. The notice will be given not later than the 30th day after the date of the settlement.

20-1934 11 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ASBESTOS/LEAD

This endorsement modifies Insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM**

This insurance does not apply to "bodily injury," "property damage," "personal and advertising injury" arising out of the actual, alleged or threatened:

- 1) dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the injury or damage is caused or contributed to by the hazardous properties of asbestos. This includes:
 - a. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
 - b. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.
- 2) exposure to lead, paint containing lead, or any other material or substance containing lead; or
- 3) any loss, cost or expense arising out of any:
 - a. Request, demand or order that any insured or others test for, monitor, clean up, remove or contain, or in any way respond to, or assess the effects of lead, paint containing lead, any other material or substance containing lead, asbestos, asbestos fiber or any product containing asbestos.
 - b. Claim or "suit" by or on behalf of any person, organization or governmental authority for damages because of testing for, monitoring, cleaning up or removing, containing, or in any way responding to, or assessing the effects of lead, paint containing lead, any other material or substance containing lead, asbestos, asbestos fiber or any product containing asbestos.

20-1934 11 07

8-1834 12 04

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

AMENDMENT OF PRIMARY AND EXCESS PROVISIONS

This endorsement modifies Insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Any coverage provided hereunder shall be excess over any other valid and collectible Insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a contract specifically requires that this insurance be either primary or primary and noncontributing. Where required by contract, we will consider any other insurance maintained by the additional insured for injury or damage covered by this endorsement to be excess and noncontributing with this insurance.

8-1834 12 04

8-2203 05 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITED EXCLUSION - OPERATIONS COVERED BY A
CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Location of Operation(s): Any location for which coverage is or was provided by a consolidated (wrap-up) insurance program.

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

- 1) Provides coverage identical to that provided by this Coverage Part; or
- 2) Has limits adequate to cover all claims.

This exclusion does not apply if:

- 1) The consolidated (wrap-up) insurance program covering your operations has been cancelled, non-renewed or otherwise no longer applies for reasons other than the exhaustion of all available limits, whether such limits are available on a primary, excess or on any other basis. You must advise us of such cancellation, nonrenewal or termination as soon as practicable; or
- 2) The "bodily injury" or "property damage" arises out of your operations that are incidental to the operations covered by the consolidated (wrap-up) insurance program but are not and were never intended to be covered by the consolidated (wrap-up) insurance program, and the "bodily injury" or "property damage" occurs away from the location of the operations covered by the consolidated (wrap-up) insurance program.

8-2203 05 09

8-1541 02 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM**A.** Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

Coverage	Additional Premium
Non-Ownership Liability	\$
Hired Auto Liability	\$

* (If no entry appears above, information required to complete this endorsement will be shown in the Declarations or Change endorsement as applicable to this endorsement.)

1. HIRED AUTO LIABILITY

The insurance provided under Coverage A (Section I) applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your employees in the course of your business.

2. NON-OWNERSHIP LIABILITY

The insurance provided under Coverage A (Section I) applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

B. With respect to the insurance provided by this endorsement:

1. The exclusions, under Coverage A (Section I), other than exclusions a, b, d, f and i and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and the following added:

a. "Bodily injury":

- 1) To an employee of the insured arising out of and in the course of employment by the insured; or
- 2) To the spouse, child, parent, brother or sister of that employee as a consequence of 1) above.

This exclusion applies:

- 1) Whether the insured may be liable as an employer or in any other capacity; and
- 2) To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

- 1) Liability assumed by the insured under an "insured contract"; or
- 2) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

b. "Property damage" to:

- a. Property owned or being transported by, or rented or loaned to the insured; or
- b. Property in the care, custody or control of the insured.

2. Who is an Insured (Section II) is replaced by the following:

Each of the following is an Insured under this insurance to the extent set forth below:

a. You;

- b. Any other person using a "hired auto" with your permission;
- c. With respect to a "non-owned auto," any partner or executive officer of yours, but only while such "non-owned auto" is being used in your business.
- d. Any other person or organization, but only with respect to their liability because of acts or omissions of an Insured under a., b., or c. above.

None of the following is an insured:

- a. Any person engaged in the business of his or her employer with respect to "bodily injury" to any co-employee of such person injured in the course of employment or to the spouse, child, parent, brother or sister of that co-employee as a consequence of such "bodily injury," or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
 - b. Any partner or executive officer with respect to any "auto" owned by such partner or officer or a member of his or her household;
 - c. Any person while employed in or otherwise engaged in duties in connection with an "auto business," other than an "auto business" you operate;
 - d. The owner or lessee (of whom you are a sublessee) of a "hired auto" or to owner of a "non-owned auto" or any agent or employee of any such owner or lessee;
 - e. Any person or organization with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations or Change Endorsement.
- C. With respect to the insurance provided by this endorsement the following additional definitions apply:
- 1. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos."
 - 2. "Hired auto" means any "auto" you lease, hire, or borrow. This does not include any "auto" you lease, hire, or borrow from any of your employees or members of their households, or from any partner or executive officer of yours.
 - 3. "Non-owned auto" means any "auto" you do not own, lease, hire or borrow which are used in connection with your business. However, if you are a partnership a "non-owned auto" does not include any auto owned by any partner.

- D. Limits of Insurance (Section III) is amended to state:

The General Aggregate Limit is not applicable to the insurance provided by this endorsement.

8-1541 02 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

Coverage	Additional Premium
Non-Ownership Liability	\$
Hired Auto Liability	\$

* (If no entry appears above, information required to complete this endorsement will be shown in the Declarations or Change endorsement as applicable to this endorsement.)

1. HIRED AUTO LIABILITY

The insurance provided under Coverage A (Section I) applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your employees in the course of your business.

2. NON-OWNERSHIP LIABILITY

The insurance provided under Coverage A (Section I) applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

B. With respect to the insurance provided by this endorsement:

1. The exclusions, under Coverage A (Section I), other than exclusions a, b, d, f and i and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and the following added:

a. "Bodily Injury":

- 1) To an employee of the insured arising out of and in the course of employment by the insured; or
- 2) To the spouse, child, parent, brother or sister of that employee as a consequence of 1) above.

This exclusion applies:

- 1) Whether the insured may be liable as an employer or in any other capacity; and
- 2) To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

- 1) Liability assumed by the insured under an "insured contract"; or
- 2) "Bodily Injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

b. "Property damage" to:

- a. Property owned or being transported by, or rented or loaned to the insured; or
- b. Property in the care, custody or control of the insured.

2. Who is an Insured (Section II) is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

- a. You;

- b. Any other person using a "hired auto" with your permission;
- c. With respect to a "non-owned auto," any partner or executive officer of yours, but only while such "non-owned auto" is being used in your business.
- d. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under a., b., or c. above.

None of the following is an insured:

- a. Any person engaged in the business of his or her employer with respect to "bodily injury" to any co-employee of such person injured in the course of employment or to the spouse, child, parent, brother or sister of that co-employee as a consequence of such "bodily injury," or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
 - b. Any partner or executive officer with respect to any "auto" owned by such partner or officer or a member of his or her household;
 - c. Any person while employed in or otherwise engaged in duties in connection with an "auto business," other than an "auto business" you operate;
 - d. The owner or lessee (of whom you are a sublessee) of a "hired auto" or to owner of a "non-owned auto" or any agent or employee of any such owner or lessee;
 - e. Any person or organization with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations or Change Endorsement.
- C. With respect to the insurance provided by this endorsement the following additional definitions apply:
- 1. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos."
 - 2. "Hired auto" means any "auto" you lease, hire, or borrow. This does not include any "auto" you lease, hire, or borrow from any of your employees or members of their households, or from any partner or executive officer of yours.
 - 3. "Non-owned auto" means any "auto" you do not own, lease, hire or borrow which are used in connection with your business. However, if you are a partnership a "non-owned auto" does not include any auto owned by any partner.
- D. Limits of Insurance (Section III) is amended to state:
- The General Aggregate Limit is not applicable to the insurance provided by this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL
INFORMATION AND DATA-RELATED LIABILITY – WITH
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications, software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

CG2106 05 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL
INFORMATION AND DATA-RELATED LIABILITY – WITH
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:**

2. Exclusions

This insurance does not apply to:

p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(BROAD FORM)**

This endorsement modifies Insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The Insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - 1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - 2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material," if:
 - 1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - 2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
 - 3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion 3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties;

"Nuclear material" means "source material," "special nuclear material" or "by-product material."

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor."

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

- a) Any "nuclear reactor";
- b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "waste";
- c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "Insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

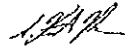
20-1769 08/91

**PROVISIONS APPLICABLE TO CENTRAL MUTUAL AND
ALL AMERICA INSURANCE COMPANIES**

IN WITNESS WHEREOF, we have executed and attested this policy. If required by state law, this policy is not valid unless it is countersigned by our authorized representative.



President



Secretary

20-1770 08/91

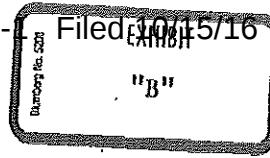
PROVISIONS APPLICABLE TO CENTRAL MUTUAL INSURANCE COMPANY

MUTUALS – MEMBERSHIP AND VOTING NOTICE: The named Insured is notified that by virtue of this policy the named insured is a member of the Central Mutual Insurance Company of Van Wert, Ohio and is entitled, as is lawfully provided in the charter, constitution, and by-laws, to one vote either in person or by proxy in any or all meetings of said Company. The Annual Meetings are held in its Home Office, Van Wert, Ohio, on the second Wednesday of May, in each year, at two o'clock P.M.

MUTUALS – PARTICIPATION CLAUSE WITHOUT CONTINGENT LIABILITY: No Contingent Liability: This policy is nonassessable. The policyholder is a member of the company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of dividends so fixed and determined.

20-1770 08/91

PHONE: ARE CODE 806
273-857
FAX 273-2157



SUITE 300
531 N. DEAHL

MITCHELL & JONES

ATTORNEYS AT LAW

P.O. DRAWER 707

BORGER, TEXAS

79006-0707

S. LEON MITCHELL
C. CRAIG JONES

CLYDE M. GASSAWAY (1926-1998)

Writer's Direct #
(806)273-5696

VIA TELECOPIER
(800)736-7026

March 17, 2016

Central Insurance Companies
ATTN: Mr. Todd Brickman

DECEPTIVE TRADE PRACTICES ACT DEMAND LETTER

Re: Policy #CLP 7973776
Date of Loss: 11/16/2015
Claim #7973776
File #83466

Dear Mr. Brickman:

This letter is to advise you that our office represents Daryl Robertson DDS, P.A. ("Dr. Robertson") in regard to the above subject claim. Your office has been furnished the financial information showing the losses suffered by Dr. Robertson arising out of the lightning strike on or about November 16, 2015.

Under the terms of your insurance policy, you are to cover the damages associated with the lightning strike. It is my understanding that, despite the volume of information provided, you have determined that there was no lost income due to the lightning strike. It is our position that such determination is in bad faith and, as a result, will subject your company to damages under Insurance Code §21.21 as set forth below.

In the event that you fail to honor your contractual obligations and continue in the unreasonable position that no damages were suffered by Dr. Robertson in this matter, then my client will have no alternative but to seek the full extent of damages, expenses and attorney fees incurred as well as all damages provided under the Texas Deceptive Trade Practices Act and the Insurance Code. This will include treble damages because of the patently bad faith determination exercised by your office.

Your actions have violated the Texas Deceptive Trade Practices Act ("DTPA") in one or more the following particulars, which actions are the producing cause of damage to my client:

Central Insurance Companies

March 17, 2016

Page 2

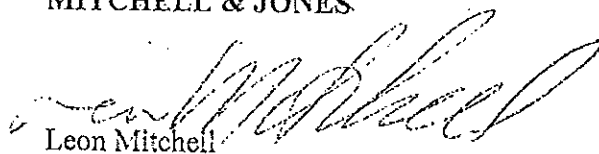
- (1) Representing that the goods or services had characteristics, uses or benefits which they did not have, or conferred benefits which they did not confer. DTPA §17.46(b)(5).
- (2) Representing that the goods or services were of a particular grade, quality or standard when they were of another. DTPA §17.46(b)(7).
- (3) Representing that an agreement had or conferred benefits which it did not have or confer. DTPA §17.46(b)(12).
- (4) Engaging in an unconscionable course of action. Specifically, fraudulently claiming no loss of income was realized by Dr. Robertson in an unconscionable action or course of action. DTPA §17.50(a)(3).

It is imperative that this matter be resolved within 60 days from the date that you receive this letter. In the event that Dr. Robertson does not receive full compensation for damages in the amount of \$60,000.00, \$750.00 for reasonable attorney fees and \$2,500.00 for accounting fees incurred to date, please be advised that he will proceed to enforce all rights available to him under the Deceptive Trade Practices Act and the Insurance Code including the penalties available under §17.50 including treble damages and attorney fees.

This letter demands your immediate attention.

Respectfully submitted,

MITCHELL & JONES



Leon Mitchell

LM/np

cc: Dr. Daryl Robertson
101 N. McGee
Borger, Texas 79007

Upshaw Insurance Agency
401 N. Main
Borger, Texas 79007

Mr. Mark Christy
LOVELADY, CHRISTY &
ASSOCIATES, PLLC
801 S. Fillmore, Suite 410
Amarillo, Texas 79101

CITATION

(Civil personal service – TRC 99)

Cause No. 42542

THE STATE OF TEXAS:

DARYL ROBERTSON DDS, P.A.

vs.

CENTRAL INSURANCE COMPANIES

)

)

)

IN THE 84TH DISTRICT COURT

OF

HUTCHINSON COUNTY, TEXAS

**TO: CENTRAL INSURANCE COMPANIES
7301 North State Highway 161 Suite 320
Irving TX 75039**

Defendant, in the heretofore styled and numbered cause:

GREETINGS:

NOTICE TO DEFENDANT: "You have been sued. You may employ an attorney. If you or your attorney do not file a written answer with the Clerk who issued this citation by 10:00 A.M. on the Monday next following the expiration of twenty (20) days after the date you were served this Citation and Petition, a default judgment may be taken against you." (RCP 99)

The Petition of **DARYL ROBERTSON DDS, P.A.** was filed in said Court on **September 16, 2016**, in the above-entitled Cause. The nature of Plaintiff's demand is fully shown by a true and correct copy of Plaintiff's Petition, which accompanies this Citation and made a part hereof.

WITNESS, ROBIN STROUD, Clerk of the 84th District Court of Hutchinson County, Texas.

ISSUED AND GIVEN UNDER MY HAND AND SEAL of said Court, at office in Stinnett, Texas, on this the 20th day of September, 2016.

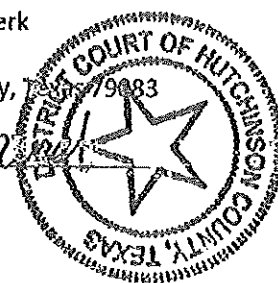
ROBIN STROUD, District Clerk

P.O. Box 580

Stinnett, Hutchinson County, Texas 79083

By: 

District Clerk



**Attorney for Plaintiff:
LEON MITCHELL
PO DRAWER 707
BORGER TX 79008-0707
806-273-2857**

OFFICER'S RETURN

42542
DARYL ROBERTSON DDS, P.A.
vs.
CENTRAL INSURANCE COMPANIES

){
{
{

84TH DISTRICT COURT
IN AND FOR
HUTCHINSON COUNTY, TEXAS

ADDRESS FOR SERVICE:
CENTRAL INSURANCE COMPANIES
7301 North State Highway 161 Suite 320
Irving TX 75039

Came to hand on the _____ day of _____, 20____, at _____ o'clock ____m. and executed in _____ County, Texas, by delivering to each of the within named defendants in person, a true copy of the Citation with the date of delivery endorsed thereon, together with the accompanying copy of the Original Petition (OCA), at the following times and places, to-wit:

Name	Date/Time	Place, Course and Distance from Courthouse
------	-----------	--------------------------------------------

And not executed as to the defendant(s) being: _____

The diligence used in finding said defendant(s) being: _____

and the cause or failure to execute this process is: _____

and the information received as to the whereabouts of said defendants(s) being: _____

FEES:

Serving Petition and Copy \$ _____
Total \$ _____

_____, Sheriff

_____, County, TX

By: _____, Deputy

Affiant

COMPLETE IF YOU ARE A PERSON OTHER THAN A SHERIFF, CONSTABLE, OR CLERK OF THE COURT.

In accordance with Rule 107: The officer or authorized person who serves, or attempts to serve a citation, shall sign the return. The return must either be verified or be signed under penalty of perjury. A return signed under penalty of perjury must contain the statement below in substantially the following form:

"My name is _____, my date of birth is _____, and my address
(First, Middle, Last)

(Street, City, Zip)

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Executed in _____, County, State of _____ on the _____ day of _____

Declarant/Authorized Process Server

(Id # & expiration of certification)